Hospital Rate Setting
Rate Year 2016

Wisconsin Department of Health Services
Division of Health Care Access and Accountability

Bureau of Fiscal Management
June 10, 2015
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SFY 2015 Q3 Financial Dashboard

- DHS uses a methodology for determining the hospital spending target based on actual data from the previous state fiscal year

- For RY 2016, actual Medicaid payments with DOP SFY 2015 will be used to determine the inpatient and outpatient hospital spending target

- DHS will provide quarterly updates to the financial dashboard leading up to the presentation of the completed spending target in August 2015

- Review Handout 1: SFY 2015 Q3 Hospital Financial Dashboard
SFY 2015 Q3 Financial Dashboard

- DHS has provided an additional comparison summary of access payments to more appropriately compare the actual access payments paid for SFY 2015 and SFY 2014
  - Comparing access payment spending year-over-year on a date of payment basis is not meaningful because the access payment funding allocated to FFS varies from year to year in the assessment model
    - In addition, timing of claims payments and adjustments vary based upon claims payment cycle factors
  - Access payments paid in SFY 2015 with DOS in SFY 2015 as a percentage of the SFY 2015 Assessment Model total is now compared to access payments paid in SFY 2014 with DOS in SFY 2014 as a percentage of the SFY 2014 Assessment Model total for a better comparison
  - As of the end of Q3, SFY 2015 access payments are trending appropriately consistent with the SFY 2015 assessment model; therefore, the outlook is optimistic for avoiding another retroactive rate adjustment process as occurred in SFY 2014

- Review Handout 2: SFY 2015 Q3 Access Payment Comparison
SFY 2015 Hospital Assessment Mid-Year Look

- DHS finalized the SFY 2015 Hospital and Critical Access Hospital Assessment Mid-Year Review for June 2015
  - Acute Care & Rehabilitation Hospitals
    - FFS inpatient access payments are trending as projected
    - FFS outpatient access payments are trending slightly higher than projected
  - Critical Access Hospitals
    - FFS inpatient and outpatient access payments are trending as projected
- DHS will continue to monitor the total access payments to determine the appropriate timeline for shut off

- Review Handout 3: SFY 2015 Hospital Assessment Mid-Year Look Summary
- Review Handout 4: SFY 2015 Hospital Assessment Mid-Year Look by AH Provider
- Review Handout 5: SFY 2015 Hospital Assessment Mid-Year Look by CAH Provider
RY 2016 Policy Requests

- DHS recorded the following RY 2016 policy requests at the December 2014 and March 2015 MHRAG meeting
  - Rural/urban outlier trimpoints
  - Provider-based billing (if not redefining outpatient hospital, at least using UB form)
  - Billing therapies on the UB form

- Additional requests should be made by June 30, 2015 to allow DHS sufficient time to research, model, etc.

- Other requests at this time?
Additional Updates

Settlements

• Letters for most FY 2009 – FY 2010 CAH settlements were mailed out May 8, 2015
  • Please let the Department know if you have any questions related to these settlements
  • Settlement Payouts will likely occur sometime in late June/early July
  • Some hospitals did not yet have audited cost reports for these years
  • FY 2010 is the last year for these settlements

• 2010 Acute Care Outpatient/Lab Hospital Settlements
  • After further review, it appears that the calculation of Medicaid settlements for FY 2010 Acute Care Outpatient settlements did not properly account for co-payments
  • Updated settlement calculations have been sent to affected hospitals

• For questions, please contact Randy McElhose (608-267-7127) or randy.mcelhose@wisconsin.gov
Additional Updates
$100K DSH Program

• Myers & Stauffer will be requesting data directly from hospitals for the purposes of completing the FY 2012 and FY 2013 Audit.
• The Department respectfully requests that hospitals be as responsive as possible to this request.
• The data requested for the purpose of these audits will be similar to what will be required under the audit related to the larger “supplemental DSH payment” which began in 2014.
• If hospitals do not respond to the data request, they risk having the DSH payment recouped for any years in which the data cannot be provided.

• For questions, please contact Randy McElhose (608-267-7127) or randy.mcelhose@wisconsin.gov
Additional Updates

Electronic Payment of Hospital Assessment Tax

• At the request of hospitals, the Department has been working to create a system to allow for electronic payment of the quarterly hospital assessment tax

• Hospitals will tentatively be able to begin paying through this electronic mechanism for the quarterly assessment payment due September 30, 2015

• Once testing has been completed to ensure operational readiness, the Department will provide information and training to hospitals that are interested in using the electronic payment system.

• Hospitals will still be able to submit payment by check.

• For questions, please contact Randy McElhose (608-267-7127) or randy.mcelhose@wisconsin.gov
Additional Updates
State Plan Amendments

- CY2015 hospital rates – submitted/waiting for CMS response
- MY2016 P4P SPA will be submitted June 30, 2015
- FY2016 hospital assessment access payment updates – public notice will be posted by July 1, 2015
Additional Updates
Changes in Hospital Section

New Hospital Rate Setting and Policy Section Chief
Christian Moran
Phone: (608) 267-1891
Email: Christian.Moran@wisconsin.gov
Additional Updates
Changes in the Hospital Rate Setting Vendor

• Navigant HealthCare will be the new Hospital Rate Setting Vendor beginning July 1, 2015 and will set the rates for CY 2016

• PCG will be working with the state to transition historical knowledge to Navigant over the summer
Request for Public Comment
Questions

Christian Moran, Hospital Rate Setting and Policy Section Chief
Bureau of Fiscal Management
Division of Health Care Access and Accountability
Phone: (608) 267-1891
Christian.Moran@wisconsin.gov

Krista Willing, Director
Bureau of Fiscal Management
Division of Health Care Access and Accountability
Phone: (608) 266-2469
KristaE.Willing@wisconsin.gov

All Questions can be sent by EMAIL to: DHSDHCAABFM@dhs.wisconsin.gov