

# *Hospital Provider Fee Oversight and Advisory Board*

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Department of Health Care  
Policy & Financing

# *Our Mission*

**Improving** health care access and outcomes for the **people** we serve while demonstrating sound stewardship of financial **resources**



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# *Discussion Topics*

- Governor's Budget Proposal
- 2015-16 Model Summary Information
- Draft Annual Report



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# *Governor's Budget Proposal*

- \$100 million reduction in hospital provider fee revenue collection in SFY 2016-17
- Fee revenue estimate in SFY 2016-17 was \$756M
  - Assumptions
    - Federal approval expected in late spring like last year
    - Fees at 2014-15 model level through June 2016
    - Reconciliation to final 2015-16 model July - September 2016
    - Fees and payments at 2015-16 model level through June 2017



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# *Governor's Budget Proposal*

- Governor's Budget Proposal: fee collection in SFY 2016-17 of \$656 million
- Impact on 2015-16 Hospital Provider Fee Model
  - Fees set in 2015-16 model such that fees collected between July 2016 through June 2017 do not exceed \$656,250,000
  - Unreduced 2015-16 model \$737 million fees
  - Reduced 2015-16 model \$670 million fees



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# Governor's Budget Proposal

**Table 1. Hospital Provider Fee Revenue by Model Year**

<b>Model Year (FFY)</b>	<b>Amount</b>	<b>Monthly Amount</b>
Model Year 2013-14	\$532,000,000	\$44,333,333
Model Year 2014-15	\$688,000,000	\$57,333,333
Model Year 2015-16	\$669,859,000	\$55,821,583



# Governor's Budget Proposal

**Table 2. State Fiscal Year 2015-16 Hospital Provider Fee Revenue by Month**

	<b>Jul-15</b>	<b>Aug-15</b>	<b>Sep-15</b>	<b>Oct-15</b>	<b>Jun-16</b>	<b>Total</b>
Model Year 2014-15 interim	\$44,333,333	\$44,333,333	\$44,333,333	-	-	\$133,000,000
Model Year 2014-15 reconciliation	\$52,000,000	\$52,000,000	\$52,000,000	-	-	\$156,000,000
Model Year 2015-16 interim	-	-	-	\$57,333,333	\$57,333,333	\$516,000,000
<b>Total</b>	<b>\$96,333,333</b>	<b>\$96,333,333</b>	<b>\$96,333,333</b>	<b>\$57,333,333</b>	<b>\$57,333,333</b>	<b>\$805,000,000</b>



# Governor's Budget Proposal

**Table 3. State Fiscal Year 2016-17 Hospital Provider Fee Revenue by Month**

	<b>Jul-16</b>	<b>Aug-16</b>	<b>Sep-16</b>	<b>Oct-16</b>	<b>Jun-17</b>	<b>Total</b>
Model Year 2015-16 interim	\$57,333,333	\$57,333,333	\$57,333,333			\$172,000,000
Model Year 2015-16 reconciliation	(\$6,047,000)	(\$6,047,000)	(\$6,047,000)	-	-	(\$18,140,000)
Model Year 2016-17 interim	-	-	-	\$55,821,583	\$55,821,583	\$502,390,000
<b>Total</b>	<b>\$51,286,333</b>	<b>\$51,286,333</b>	<b>\$51,286,333</b>	<b>\$55,821,583</b>	<b>\$55,821,583</b>	<b>\$656,250,000</b>



# 2015-16 Model Summary

	Fees	Federal Funds	Total
<b>Payments</b>	\$ 552,018,000	\$ 568,149,000	\$ 1,120,167,000
<b>Expansion</b>	\$ 76,400,000	\$ 1,748,169,000	\$ 1,824,569,000
<b>Administration</b>	\$ 25,735,000	\$ 31,653,000	\$ 57,388,000
<b>General Fund Offset</b>	\$ 15,700,000	\$ -	\$ 15,700,000
<b>Total</b>	<b>\$ 669,853,000</b>	<b>\$ 2,347,971,000</b>	<b>\$ 3,017,824,000</b>
<b>Payments less fees</b>			<b>\$ 450,314,000</b>

CICP Prior to HB 09-1293	\$ 162,876,000
<b>Net reimbursement gain</b>	<b>\$ 287,438,000</b>

Federal Share

50.72%



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# 2014-15 Model Summary

	Fees	Federal Funds	Total
<b>Payments</b>	\$ 581,056,000	\$ 605,144,000	\$ 1,186,200,000
<b>Expansion</b>	\$ 71,692,000	\$ 1,257,628,000	\$ 1,329,320,000
<b>Administration</b>	\$ 20,000,000	\$ 20,825,000	\$ 40,825,000
<b>General Fund Offset</b>	\$ 15,700,000	\$ -	\$ 15,700,000
<b>Total</b>	<b>\$ 688,448,000</b>	<b>\$ 1,883,597,000</b>	<b>\$ 2,572,045,000</b>
<b>Payments less fees</b>			<b>\$ 497,752,000</b>

CICP Prior to HB 09-1293	\$ 162,876,000
<b>Net reimbursement gain</b>	<b>\$ 334,876,000</b>

Federal Share 51.01%



# 2015-16 Compared to 2014-15

	2015-16	2014-15	Difference
Fees			
Payments	\$ 552,018,000	\$ 581,056,000	\$ (29,038,000)
Expansion	\$ 76,400,000	\$ 71,692,000	\$ 4,708,000
Administration	\$ 25,735,000	\$ 20,000,000	\$ 5,735,000
General Fund Offset	\$ 15,700,000	\$ 15,700,000	\$ -
<b>Total Fees</b>	<b>\$ 669,853,000</b>	<b>\$ 688,448,000</b>	<b>\$ (18,595,000)</b>
<b>Payments</b>	<b>\$ 1,120,166,980</b>	<b>\$ 1,186,200,000</b>	<b>\$ (66,033,020)</b>
<b>Payments less fees</b>	<b>\$ 450,313,980</b>	<b>\$ 497,752,000</b>	<b>\$ (47,438,020)</b>
CICP Prior to HB 09-1293	\$ 162,876,000	\$ 162,876,000	
<b>Net reimbursement gain</b>	<b>\$ 287,437,980</b>	<b>\$ 334,876,000</b>	<b>\$ (47,438,020)</b>



# *Draft Annual Report*

- January 15 each year
- Senate and House Health and Human Services Committees, Joint Budget Committee, and Medical Services Board
- Description of the hospital provider fee
- Provider fee paid and payments received by hospital
- Itemization of Department's administrative costs
- Estimates of the differences between the cost of care provided and payment received by hospitals for patients covered by Medicaid, Medicare, and other payers



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# *Draft Annual Report*

- Cost shift data to be updated
  - Medicaid caseload
    - FY 2013-14 to FY 2014-15: +35%
    - FY 2012-13 to FY 2013-14: +26%
  - Medicaid inpatient discharges
    - FY 2013-14 to FY 2014-15: +23%
    - FY 2012-13 to FY 2013-14: +23%
- Explanation of change in payments
  - 5 payment methodologies instead of 11 to 13
  - CICP payments



# Questions?



# *Contact Information*

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*Thank You!*



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