

Hospital Provider Fee Oversight and Advisory Board Update for the Medical Services Board

Friday, July 10, 2015

Hospital Provider Fee Oversight and Advisory Board (OAB)

The Department received approval of the State Plan Amendment (SPA) for the 2014-15 hospital provider fee program on May 19, 2015. The Department will begin the reconciliation process to the final model beginning in July 2015.

On June 4, 2015 the Department notified the OAB via email that the Hospital Quality Incentive Payment (HQIP) 30-day all cause readmission measure was calculated incorrectly by the Department for the 2014-15 provider fee model year. At the June 23, 2015 OAB meeting the Department discussed the error in detail with the board. The error has no impact to the overall model, the SPA, or the rules adopted as final by the Medical Services Board on June 12, 2015. It does impact the distribution of the HQIP payments to the hospitals. The hospitals were notified of the error on July 2, 2015. The error was discovered after questions arose regarding hospital specific readmission rates.

There were three issues that contributed to the erroneous calculation:

- Emergency Medicaid clients were not removed from the calculation that should have been.
- Attribution for the readmission was incorrectly assigned to the second hospital (readmission hospital) rather than the first hospital (hospital of the original admission).
- The original data pull did not reflect the entirety of all inpatients.

The Department has re-pulled the data to ensure that all clients that should be included are included and has re-calculated the readmission rates and associated incentive payments. We have conducted an independent verification that the data is complete and accurately reflects the measure specifications. We will conduct this verification in future years as well as a quality review of the rates prior to finalization so that this does not happen again.

No adjustments will be made to hospitals' supplemental payments in model year 2014-15. The Department will make adjustments to the monthly supplemental payments to reconcile to the revised HQIP amounts during the 2015-16 model year beginning October 2015.

Hospital Provider Fee Population Expansion Update

In May 2010 the population expansions for Medicaid Parents to 100% of the federal poverty level (FPL) and for Child Health Plan *Plus* (CHP+) to 250% FPL were implemented. In March 2012, the Medicaid Buy-In Program for Working Adults with Disabilities to 450% FPL was implemented, and in July 2012 the Medicaid Buy-In Program for Children with Disabilities to 300% FPL was implemented. In April 2012, Medicaid coverage for Adults without Dependent Children (AwDC) up to 10% FPL with enrollment capped at 10,000 individuals was implemented. Subsequently, in April 2013, the Department increased the AwDC enrollment cap by 3,000 individuals, then by 1,250 additional individuals each month. On January 1, 2014, pursuant to Senate Bill 13-200, coverage for Medicaid Parents and AwDC was increased to

Hospital Provider Fee Oversight and Advisory Board Update for the Medical Services Board

Friday, July 10, 2015

133% FPL and the waitlist for AwDC clients was eliminated. On March 1, 2014, 12-month continuous eligibility for children enrolled in Medicaid was implemented.

The caseload reported as of April 30, 2015 was as follows:

- Medicaid parents 88,052 (note: this is a February 2015 caseload figure)
- 16,771 CHP+ children and pregnant women
- 4,161 working adults and children with disabilities
- 273,043 adults without dependent children

Please contact Chris Underwood at 303-866-4766 or Nancy Dolson at 303-866-3698 if you have questions regarding this update.