Nursing Facility Provider Fee Advisory Board
October 18, 2013
Meeting Minutes

PRESENT	
John Brammeier - Phone	Wes Lander
Paul Landry	Blake Heller
Arlene Miles	Preston Brown
Greg Traxler	Matt Haynes - HCPF
Lori Nelson	Cynthia Miley - HCPF
Lonie Hilzer	Mekayla Cortez (PCG)
Chris Stenger - Phone	Garrett Abrahmson (PCG) - Phone
Cindy Bunting - Phone	
Janet Snipes	
ABSENT	
Dan Stenerson	

Approximate Time	Topic	Lead
1:00 – 1:05	❑ Welcome, Introductions, and Approval of Minutes	*Matt Haynes, HCPF*
1:05 – 1:20	❑ UPL Discussion	*Matt Haynes, HCPF*
1:20-2:45	❑ Appeals, Settlements, and IRs ○ Three Scenarios ○ Thoughts and Discussion	*Matt Haynes, HCPF* *PFAB Members*
2:45 – 2:55	❑ Public Comment/Open Discussion	
3:00	❑ Adjournment	

Meeting was called to order at 1:03 p.m.

Approval of Minutes:
The minutes from the September 27, 2013 meeting were approved as written.

UPL Discussion
Matt Haynes

- Medicare rates did not change very much.
- Inflated Medicare is the upper payment limit.
- Medicaid claims and supplemental payments increase which shrinks UPL gap.
- We would expect that UPL gap would shrink every year.

Appeals, Settlements, and IRs:
Discussion

<u>**Scenario 1**</u>	<u>**Scenario 2**</u>	<u>**Scenario 3**</u>
• No Rebalance	• Everyone	• Only Appellate
• Percent of Original Model	• Rebalance Prior Model	• No Rebalance
• Paid before Growth of General Fund and Rate True Up	• Revised Percent form Original Model	• Percent in Current Model
• No Cascade	• Zero-Sum Taken from Supplemental Total	• Paid as Acuity and True-Up in Current Model
	• No Impact to Available Funds	• Impact Available Funds
	• Cascades	• No Cascade

- **Scenario 1 –** Would go back and look at results of appeal, settlement or IR only looking at appellate facilities, would not rebalance models. Apply the percentages for growth over the general fund cap plus the rate true up that were paid in that particular year. Then pay that amount in the model before we pay any growth over the general fund cap or rate true up in the current model. No cascade and only impact the appellate facilities.
- Looked at percent that was paid and change audited rates in rate true up. Taking dollar amount and putting it into available funds and paying it similar to another supplemental payment that is paid at 100%. Change was one tenth of 1%. Still spending the same amount.
- **Janet Snipes** asked how this was handled in the past, if someone had a large settlement, did it impact the general funds number?
- **Arlene Miles,** There was a million dollar settlement that was paid out of an escrow account funded by provider fee. There was another case in which we tried to get a supplemental appropriation. This is not looked upon with favor in the legislature. We need to figure out how to fix this to get recognition for reimbursement on these appeals, will take legislation to do.
- Simple, clean, do not rebalance other models, transparent, and equitable. There would be a line showing the appeals that are being paid, and a percentage that results.
- Where to put this in hierarchy, not before reimburse fee paid or acuity.

- **Scenario 2 -** Impacts everyone, we do rebalance the prior year models and it will revise the percentage from the prior year model. It is a zero sum, when we rebalance the prior year models, for all the positives that are gained from the appellates there is an equal amount of negatives that make it a zero sum. It does not impact the total pool of dollar for the current year model. There is a cascade effect.
- Recalculate entire model. Because the balance of the adjustment is a zero sum you will not see it in the current model. But it will affect every provider, does have a cascading effect. Each model has a positive and negative adjustment. Percent is still impacted because of the cascading effect. Four hundredths of a percent difference.
- Very hard to understand and explain how and why. The models will never be final.

- **Scenario 3 -** Very similar to scenario 1, again only looking at the appellates, not rebalancing the prior year models but it does impact the percentage in the current model. We are not going back and applying the percentages from the prior year model, we are just looking at the difference in one rate true up versus the revised rate true up and the difference is then put in with the rest of the rate true ups in the current model. It does impact the available funds in the current model. Again no cascade effect.
- The differences in the percentages will be incorporated into the acuity adjustments and the rate true ups in the current year model. Will impact the percentage and will be paid at the percentage of the current model. Result of not cascading and no zero sum. Do not apply percentages from prior model to get appeal number to pay. Still decreases one tenth of 1%. Similar to what has been used in past. Scenario will better benefit facilities that have higher costs.

- Board discussed setting a timeline for model rate to be determined, any appeals that come after that time should be reflected in the next model.
- Advise attorneys to put cutoff date in settlements.

Board Recommendations

- Janet Snipes recommended to move forward with Scenario 1, and the board was in consensus on this recommendation. Still questions as to where Scenario 1 will be funded through.

There was no public comment.

The meeting was adjourned at 2:48 pm.