

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

Friday, November 14, 2014

Hospital Provider Fee Oversight and Advisory Board (OAB)

At its October 28, 2014 meeting, the OAB approved the Department's proposed 2014-15 Hospital Provider Fee Model (October 2014 through September 2015). Payment methodologies under the model have been simplified to increase ease of understanding for all stakeholders while continuing to align with the legislation's purposes of increasing hospital reimbursement for Medicaid and uninsured patients and funding quality incentive payments.

The model proposes fees of \$688 million and payments of \$1.2 billion (including \$61 million in quality incentive payments), for a net reimbursement increase for hospital services provided to Medicaid and uninsured patients of \$330 million.

Before the new model can be implemented, the Centers for Medicare and Medicaid Services (CMS) must approve any necessary State Plan Amendments and rules must be adopted by the Medical Services Board. The Department plans to present rules to the Medical Services Board at its January 2015 meeting. Until the new model is fully approved, hospitals will continue to pay fees and receive payments at the 2013-14 amounts.

Minutes from the August 26, 2014 OAB meeting are attached. The next OAB meeting is scheduled for December 16, 2014.

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 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 September 30, 2014, was as follows:

- 72,906 Medicaid Parents,
- 18,849 CHP+ children and pregnant women,
- 2,925 working adults and children with disabilities, and
- 210,970 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.