

Department of Community Health Hospital Status Report

Presentation to
CENTER FOR RURAL HEALTH
MAY 16, 2008



Topics

- Medicaid Rate Enhancements
 - Fee-for-Service
 - CMO
- Other Budget Items
- HB 1234
- Status of Disproportionate Share Hospital payments
- Federal Regulations
- Office of Regulatory Services

Medicaid Rate Enhancements

- Fee-for-Service Increases (July 1, 2008)
 - INPATIENT
 - Increase in current DRG base rate by 3.68% for Trauma Hospitals in Levels I - III; 2.77% for all other hospitals
 - No change to Grouper or update to base rates

Medicaid Rate Enhancements

- Fee-for-Service Increases (July 1, 2008)
 - OUTPATIENT
 - Rebase interim CCR's to project for FY 2009
 - Cost coverage in interim CCRs and settlement for non-CAH's to increase from 85.6% to 90.7% for Trauma Hospitals (Levels I - III) and 85.6% to 88.3% for all others
 - CAH's continue at 101% of cost (considered for interim CCR's and at cost settlement)
 - Triage fee for non-ER use of ER from \$50 to \$60
 - Outpatient cap increases with inpatient increase

Medicaid Rate Enhancements

Other 7/1/08 Budgetary changes that can impact hospitals

- Physician RBRVS reimbursement to move to 80% of 2007 RBRVS (with some exclusions)
- Coverage for digital mammography at 80% of 2007 RBRVS
- Ambulance reimbursement 86% of 2007 Medicare
- Nursing Homes to convert to Fair Rental Value System for capital costs and receive an additional 1% increase in routine and special services per diem for facilities meeting quality incentive program criteria
- Medicaid coverage of foster children up to age 21

Medicaid Rate Enhancements

- Services paid by CMO's (July 1, 2008)
 - HB 990 (Appropriations Act) requires CMO's to increase their current per unit reimbursement by amounts comparable to the percentage increase in FFS if CMO reimbursement not linked to Medicaid FFS

EXAMPLE:

Inpatient Hospital base rate in FFS increasing 2.77% for non-trauma hospitals. CMO's would have to increase their inpatient hospital reimbursement 2.77% if not linked to Medicaid.

Medicaid Rate Enhancements

- Services paid by CMO's (July 1, 2008)
 - HB 990 requires CMO's to pay CAH's at Medicare critical access rate of 101%
 - Supported by HB 1234
- DCH to audit CMO's to ensure rate increases made
 - Feedback from providers
 - DCH contracts with CMO's amended to reflect required rate increases
 - Added to Myers and Stauffer CMO audit programs

Other Budget Items

- Phase II Rural Safety Net for Primary Care
 - \$9.25 million to Office of Rural Health
 - Safety Net Clinics
 - \$950k
 - Regional Cancer Coalitions
 - \$1.5 million
 - Transferred to Board of Regents

H.B. 1234 - Medicaid Care Management Organizations Act

Signed by Governor Perdue on May 13, 2008 (now effective)

- Payment requirements
 - Emergency room
 - Critical Access Hospital
 - Newborns
 - Member change in plan assignment
- Administrative requirements
 - Appeals/Hearings
 - CMO Website for claims payment and provider searches
 - Contract conditions
 - Dental Networks
 - HS & R reports

DSH Status

- Requested funding received for private hospitals eligible for DSH in Amended FY 2008 budget and now available
- DCH received CMS approval of state plan amendment on May 9th
- IGT's on behalf of Public Hospitals due on Monday, May 19 (intent to transfer due today, May 16, 2008)
- Payments for all eligible hospitals on May 23, 2008
- Details at www.dch.georgia.gov under Providers, Hospital, Indigent Care Trust Fund, SFY 2008 ICTF

Federal Regulations

- CMS May 2007 regulation
 - clarifies definition of non-state governmental providers (i.e., public providers);
 - adds cost based limitations to public provider Medicaid reimbursement;
 - defines what constitutes a legitimate IGT;
 - under Congressional moratorium for implementation until May 25, 2008.

Federal Regulations

- States required to survey providers to determine governmental status
 - DCH Survey on DCH Website (Under “Providers” and “2008 Survey...”)
 - Training available to help providers complete the survey
 - Being conducted and results compiled by Myers and Stauffer
- Assuming moratorium ends, state will use results to determine future UPL and DSH payments and determine whether reimbursement must be limited to cost. Results will also help ID who can still provide IGTs.

Office of Regulatory Services

- Per SB 433 – Certificate of Need Reform
- Healthcare institutional licensure and attendant rules moving to Department of Community Health on July 1, 2009
- Some licensure stays with DHR – labs, outpatient rehab facilities, dialysis centers, hospices, outpatient physical therapy, rural health clinics and more
- Transitional planning occurring now

Questions?

Now or

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