



Southeast Reimbursement Group, LLC
Health Care Reform Bill
Summary



Discussion Topics

- Summary of Provisions
- AHA Impact Calculator
- Hospital Winners and Losers
- Immediate Focus Areas



Provisions

- Most provisions start in 2014, but not all
- Expansion of Medicaid to cover individuals up to 133% of FPL
- Medicaid DSH decreased, starting in 2014
- Medicare DSH decreased by \$22.1 billion, starting in 2014 – up to 75%. Some amount of this returned based upon uncompensated care



Provisions

- Payment updates lowered, starting April 1, 2010, ramping up
- Health Insurance Exchanges, starting in 2011
- Extends 340B to Children's, Cancer, and CAH hospitals (i.e. cost based providers)
- Provision to redistribute 65% of unused residency positions. Qualified hospitals could get up to 75 new slots



Provisions

- Extended TOPS for certain rural hospitals thru 2010 (this has been scheduled to sunset several times)
- Ensures CAH OP payment at 101% of cost regardless of billing method
- Extends MDH program for one year (thru October 1, 2012)
- Extends cost reimbursement for lab in small rural hospitals



Provisions

- Temporary improvements to the Medicare IP hospital payment for low-volume hospitals



Provisions

➤ CMS chart as of June 11, 2011



AHA Impact Calculator

- Useful for a high level impact
- Some very MACRO level assumptions
- Should be an AHA member to run the calculation



Coverage Expansion Benefit Calculator Line Comments

- Facility level CtC ratio definition (W/S B-I, Col 25, Lines 25-65 ÷ W/S C, Col 8, Line 101)
- Line 2: Cost based uncompensated care (bad debts, charity write-offs, administrative adjustments, etc * computed CtC ratio)
- Line 11: Payments divided by cost determined from W/S D-1 and DV of Title XIX. Factor in known state specific adjustments



Coverage Expansion Benefit Calculator Line Comments

- Line 12: Get from contracting. Should be greater or equal to Medicaid ratio as a general rule of thumb



Payment Impact Calculator

- Fairly straight forward
- If SCH, and HSA greater than federal rates, don't input DSH
- If MDH, don't input MDH payment as this is due to be expire by the time DSH reductions start
- If CAH, this page is N/A



Hospital winners

- CAH hospitals
- Hospitals with capped DSH
- SCH hospitals



Hospital Losers

- Hospitals with high DSH
- Hospitals with very high Medicare utilization
OR located in areas with large numbers of
beneficiaries
- Hospitals with low Medicaid payment rates



Immediate Focus Areas

- Hospitals with cost based Medicaid
- Hospitals with TOPS
- Hospitals with cost based Lab
- DSH hospitals
- Low Volume adjustment