



CENTRAL OHIO PATIENT ACCOUNT MANAGERS

OHA

2010 Year-end Update

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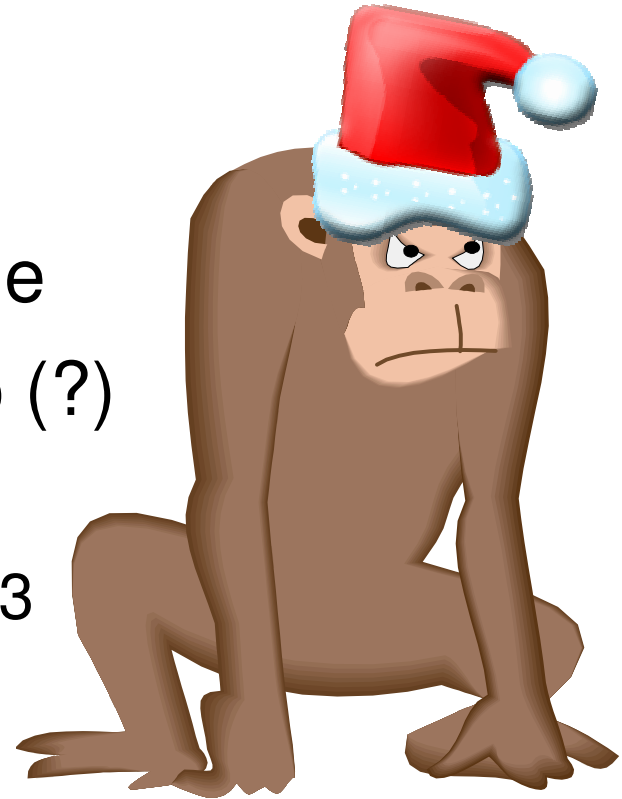


Agenda

- **Ohio 2012/2013 State Budget**
- **CMS Medicaid DSH Audit & Reporting**
- **Medicare Stuff**
- **Medicaid RAC & MIP**
- **BWC IHPPS & OPPS**
- **Etc., etc.**

Ohio's 2012-2013 Budget Challenges

- Estimated \$8 to \$9 billion General Revenue Fund Deficit
- Reduced FMAP
- Federal Stimulus Money Gone
- Medicaid Enrollment/Cost Up (?)
 - JFS Says +4.5% in 2012
 - \$18.9B in 2012 / \$20.2B in 2013
- Cost of Ongoing Health Care Delivery & Payment Reform



Ohio's 2012-2013 Budget Challenges

What do we Expect?

- General Shift to a Conservative Approach to Funding & Coverage
- Tough Fight for Available Resources (“Get on the Bus!”)
- Call to Expand Medicaid Managed Care; Force Provider Contracting
- Recalibration of Medicaid FFS IHPPS DRG Weights
- Cuts to Agency Staff
- Possible State Payment Slowdown
 - Increase Float
 - Move Payments from One Year to the Next

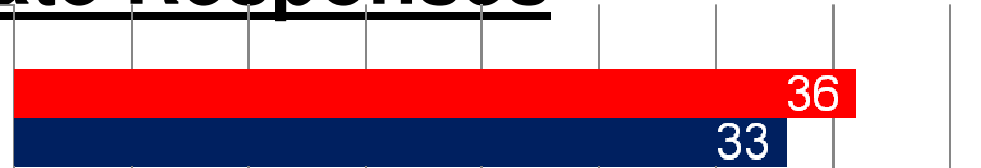


Medicaid Strategies: Short-Term Balance

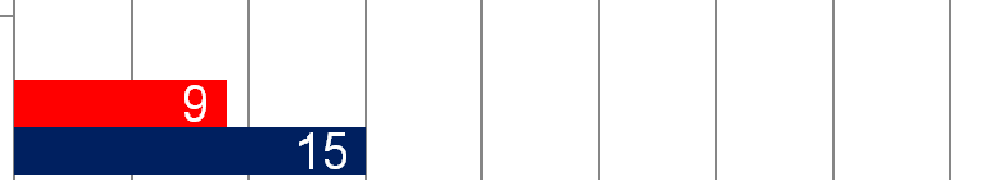
Other State Responses



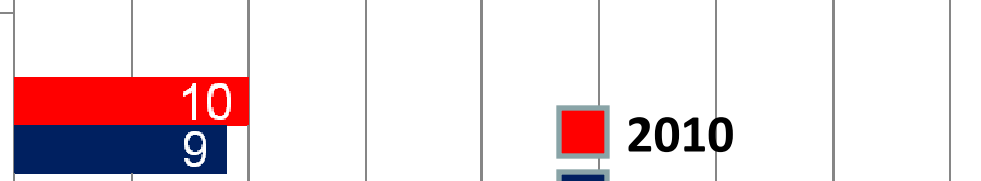
Reduce or freeze provider payments



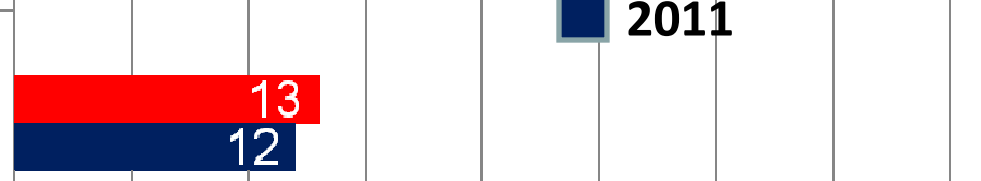
Eliminate or limit benefits



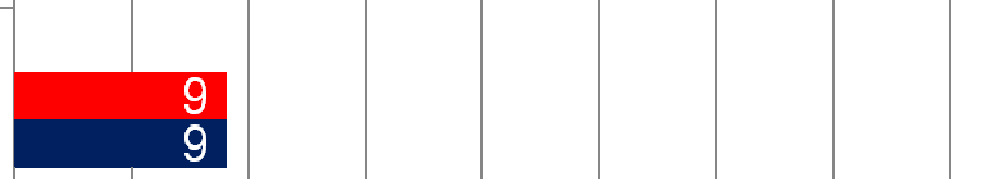
Delay expansions



Limit prescription drugs



Expand managed care



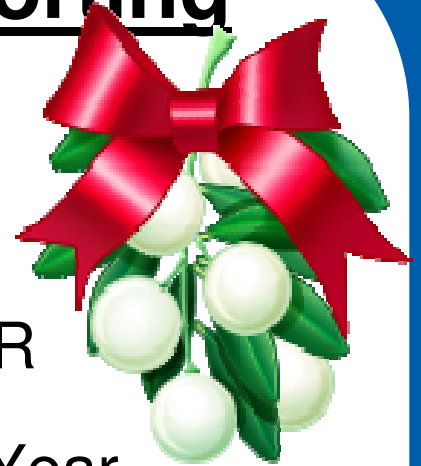
2010
2011

Number of States

0 5 10 15 20 25 30 35 40

CMS Medicaid DSH Audit & Reporting

- Standardized Policies, Definitions & Formats
 - Includes Definitions & Guidelines on Allowance of Uncompensated Care Cost
- Based in MMA, Final Rule in Dec. 19, 2008, FR
- Retro to SFY 2005, 1st Reports due at End of Year
 - Eventually, States' FFP at Risk, HCAP Distribution, too.
 - Independent Audits of State DSH Programs Required
 - Based on Cost Reports & Audited Statements / Records
 - Double-Check Accuracy of HCAP Policies, Logs and Cost Report Data; Ensure Action Plans are Being Enforced
- Ohio Auditor: Myers & Stauffer, LC (Topeka)
 - Six Sample Hospitals Currently Under Audit
 - No Word yet on Expansion, Timelines or Next State Fiscal Years



Medicaid DSH Reporting & Audit

Independent Certified Audit Requirements:

- Verify Hospitals Have Reduced Their Uncompensated Care (UC) Costs to Reflect the Total Amount of Claimed Medicaid DSH Expenditures
- Verify Medicaid DSH Payments to Each Hospital Conform to the Hospital-Specific DSH Limit
- Verify that Only the UC Costs of Providing **Hospital Services to Medicaid and Uninsured Individuals are** Included in the Hospital-Specific DSH Limit
- Operate Independently from Medicaid Agency and Hospitals
- **Auditor Must Follow Professional Rules and Generally Accepted Standards of Audit Practice**



Medicaid DSH Reporting & Audit

Final Rule Identifies

17 Hospital-Specific Data Elements; FFS & Managed Care

- Hospital Name
- Estimate of Hospital-Specific DSH Limit
- Medicaid Inpatient Utilization Rate
- Low-Income Utilization Rate
- State-Defined DSH Qualification Criteria
- IP/OP Medicaid FFS Basic Rate Payments
- IP/OP Medicaid Managed Care Organization Payments
- Supplemental / Enhanced Medicaid IP/OP Payments
- Total Medicaid IP/OP Payments
- Total Cost of Care for Medicaid IP/OP Payments
- Total Medicaid Uncompensated Care
- Uninsured IP/OP Revenue
- Total Applicable Sec. 1011 Payments
- Total Cost of IP/OP Care for the Uninsured
- Total Uninsured IP/OP Cost
- Total Annual Uncompensated Care Cost
- Hospital DSH Payments



Other Medicaid Stuff

- Medicaid RAC
 - State Plan Due 12/31/10; Contract(s) with RAC(s) Due 4/1/11; Actual Start Date Uncertain
 - **Will not Replace Medicaid Integrity Program (MIP) or Provider Error Rate Measurement (PERM) Programs**
 - Organized like Medicare RAC, but ODJFS Will Take the FI/MAC Role, With State-Specific Records, Recovery and Audit Policies
- MITS
 - Watch <http://jfs.ohio.gov/mits/index.stm>
 - No Start Date Yet
 - CCI & Medicaid NDC Implications
 - McKesson *ClaimCheck* Incorporated
- Unspecified Surgery Outpatient Bills Under Review; “Special K” Goes to Cost 1/1/12



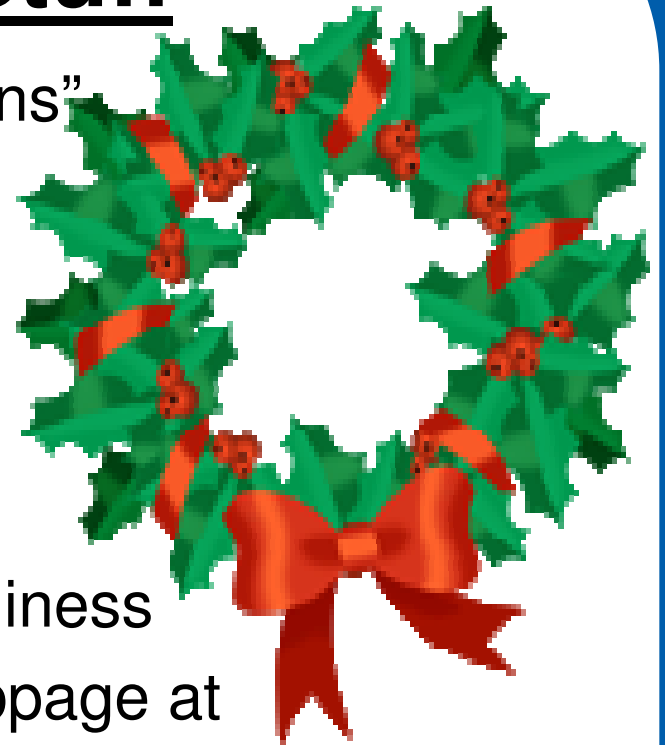
Medicare

Medicare Administrative Contractor

- J-15 (OH & KY) MAC Award to Cigna; **Part A Subcontracted to Riverbend Government Benefits**
- No Indication of Further Action by NGS or Highmark; No Transition Schedule Announced
- Expect at Least Six-month Transition
 - All Part A & B
 - All Beneficiary
 - All RAC-Related Activity
 - All Audit & Reimbursement
- NGS States it Will be Processing Bills Through Most of 2011, Regardless
- CMS Still Required to Re-bid and Expand MAC Jurisdictions in 2015

More Medicare Stuff

- Three-day DRG Window “Clarifications”
Documentation Still to Come
- Medicare/Medicaid Enrollment
Standards Will be Tightened in 2011
- .25% ACA Payment Reduction:
How Will it be Processed?
- Don’t Forget Shortened Billing Timeliness
- New CMS Provider Compliance Webpage at
http://www.cms.gov/MLNProducts/45_ProviderCompliance.asp
- Good MedPAC Medicare Payment Basics Website
Available at http://medpac.gov/payment_basics.cfm



Bureau of Workers' Compensation

- Outpatient Medicare-based PPS Effective 1/1/11
 - Two-Year+ Transition
 - 198% Medicare 1/1/11 – 3/31/12 (Childrens = 253% / CAH Exempt)
 - 181% Medicare 4/1/12 – 3/31/13
 - 166% Medicare After
 - 2010 Medicare Pricing Factors in Place Until 3/31/11
 - Processing & Pricing Testing Underway
 - Medicare v. BWC PPS Chart Available at <http://www.ohanet.org/Issue/BWC>
 - (See *Announcement* Section)
- FFY 2011 Inpatient PPS Effective 2/1/11
- BWC Won't Adopt Medicare/PPACA Programs and Cuts



Other Updates



ACA-Based Requirements on for Financial Assistance, Collection & Charge Limits; Effective in FY 2011, but Still Waiting on Final IRS Rules



Medicare End-Stage Renal Disease Provider PPS Starts 1/1/11, Does not Affect ED or Inpatient Hospital



DMEPOS Competitive Bidding Starts Jan. 1 in Cleveland & Cincinnati; Other Ohio Metro Areas, Additional Items will be Added in 2012



Aetna Studying ED E&M Codes; May Link Hospital & Physician Reimbursement