

# Waiver Cost Protocol & UCCR Training Session

March 17, 2016

Massachusetts Hospital Association  
Burlington, MA

# Agenda

1. Review of Waiver Cost Limit Protocol
2. Uncompensated Care Cost & Charge Report
  - Overview
  - Review of Schedules
  - Submission Process
3. Questions and Answers

# Waiver Cost Limit Protocol Overview

# Waiver Cost Limit Protocol: Overview

- The protocol is a requirement of the Commonwealth's 1115 Medicaid Waiver
  - Special Term and Condition (STC) 51(f)
  - Full protocol details are in Attachment to Waiver
- Requires that Safety Net Care Pool provider payments be limited on a provider-specific basis to the uncompensated care of providing services to Medicaid-eligible and uninsured individuals
- Effective with federal fiscal year 2015

# Safety Net Care Pool

- The Safety Net Care Pool (SNCP) is a pool of funds in the 1115 Waiver used to support care to Medicaid and uninsured populations and to promote delivery system transformation
- Only the **provider payments** included in SNCP are specifically limited by the protocol

Provider Payments (Limited by Protocol)	Other (Not affected by Cost Limit Protocol)
<ul style="list-style-type: none"><li>• Public Service Hospital Supplemental</li><li>• Health Safety Net</li><li>• Institution for Mental Disease (IMD)</li><li>• Department of Public Health Hospitals</li><li>• Department of Mental Health Hospitals</li></ul>	<ul style="list-style-type: none"><li>• Delivery System Transformation (DSTI)</li><li>• Public Hospital Transformation</li><li>• Designated State Health Programs</li><li>• Infrastructure and Capacity Building</li></ul>

# Cost Limit Protocol Calculation

- The limit is determined on a hospital-specific basis:

$$\text{Limit} = (\text{Medicaid Costs} + \text{Uninsured Costs}) \\ - (\text{Payments received for Medicaid \& uninsured patients})$$

- EOHHS is required to use the Uncompensated Care Cost and Charge Report (UCCR) as the data source
  - Based on the CMS-2552
  - Collects cost center charges for Medicaid and uninsured services, as well as payment amounts for these services

# Reconciliation

- Interim calculation is based on the as-filed report
  - If overpayment exists and is due to HSN, money is applied back to HSN and redistributed to other providers as appropriate
  - If overpayment is not due to HSN, EOHHS must recoup funds and return federal share to CMS
- Final calculation
  - Based on audited cost report

# Uncompensated Care Cost and Charge Report (UCCR)



# UCCR Overview

- EOHHS has used the UCCR for several years to provide supporting calculations for certain supplemental payments
  - Has been filed by public service and some DSH hospitals
- A separate report is needed because the CMS-2552 and CHIA's 403 cost report do not have sufficient detail to calculate the cost limit
  - The CMS-2552 **has** the CMS preferred cost allocation method, but **does not** include details on charges
  - The 403 report **does not** use the same cost allocation method and **does not** have payer charges by cost center

# Which Hospitals Must File

- Hospitals that are eligible to receive payments from the Safety Net Care Pool must file a UCCR. This includes:
  - Health Safety Net payments;
  - Public Service Hospital Supplemental payment;
  - Institutions for Mental Disease (IMD) – private psychiatric hospitals
  - DPH & DMH hospitals

# UCCR Overview

- The UCCR uses CMS-2552 cost apportionment methods
  - Same cost centers as CMS-2552
  - Routine costs: Product of per diem cost and payer days
  - Ancillary costs: Product of cost-to-charge ratio and payer charges

Schedules	Purpose
Cover Sheet	Hospital and report information
A	Collect CCR & FFS charge data, calculate FFS costs
B	Calculates Routine Per Diems used in calculations
C	Calculates Medicaid MCO, HSN, Uninsured, Duals costs
D	Calculates Physician costs (FFS, MCO, HSN, Uninsured, Duals)
E	Collects Additional allowable expenses
F	Collects Revenue Data

# Cover Sheet

- Hospital name, UCCR version, and the HSN assessment questions are drop-down functions.
- HSN assessment
  - Hospitals may report this on their 2552, but in some cases it will be removed by auditors upon review
  - If reported, list the amount that is included on the report
  - In completing the protocol calculations, EOHHS will include the expense as a separate step to ensure consistent treatment across hospitals.

# Schedule A: MassHealth FFS Costs

- Schedule A calculates the cost-center specific cost-to-charge ratios
- Hospitals will provide data from their CMS-2552 for the applicable fiscal year:
  - Column 1 - Costs (2552 Worksheet B Part I)
  - Column 2 – observation reclass and certain post-stepdown expenses from supplemental worksheet B-2
  - Column 4 - Charges (2552 Worksheet C Part I)

# Schedule A: MassHealth FFS Costs

- Hospitals will provide MassHealth FFS charges from their records for inpatient and outpatient services
- Include on Schedule A charges for inpatient and outpatient services provided to patients enrolled in:
  - Primary Care Clinician (PCC)
  - Fee-for-Service
- Do **not** include on Schedule A
  - Medicaid managed care
  - Physician charges
  - Charges for dual-eligibles

# Schedule B: Routine Cost Center Per Diems

- The UCCR follows the 2552 cost allocation method
  - Ancillary Costs: CCR \* Charges
  - Routine Costs: Per Diem \* Days
- Hospitals should report patient days on Schedule B for:
  - Total Days (2552 Wksht S-3 Part I)
  - Medicaid FFS, Medicaid MCO, HSN & Uninsured, and Dual-Eligible (Hospital records)

# Schedule B: Routine Cost Center Per Diems

- Costs will be carried forward from Schedule A
- Schedule B will calculate the routine costs and carry those expenses to Schedules A & C for the routine cost centers



# Schedule C: Medicaid MCO, HSN & Uninsured, Dual-Eligible Costs

- Hospitals should report charges by cost center for these programs on Schedule C
  - Medicaid MCO (columns 2 & 4: inpatient and outpatient)
  - HSN & Uninsured (columns 7 & 9)
  - Dual-Eligible (columns 12 & 14)

# Schedule C: Medicaid MCO, HSN & Uninsured, Dual-Eligible Costs

- Do **not** include physician charges
- MMCO includes Medicaid MCO, SCO, PACE, OneCare
- HSN & Uninsured includes
  - HSN eligible (low-income) patients
  - Patients who were uninsured for the service
  - Does **not** include patients who were covered but did not pay their deductible, co-insurance

# Schedule C: Medicaid MCO, HSN & Uninsured, Dual-Eligible Costs

- Dual-eligible includes patients who have primary coverage for another program (e.g. Medicare, commercial, etc) and also have MassHealth
- Report the value of the charges for the entire stay
  - e.g. If Medicare covered the first 10 days of a 30 day stay because the patient exhausted benefits—report the charges for the full 30 days

# Schedule D: Uncompensated Physician Costs

- Columns 1-5 create a physician cost-to-charge ratio from the 2552
  - Col 1: Professional Component (2552 Wksht A-8-2, col 4)
  - Col 2: Overhead costs if not already in Col 1 (Wksht A-8)
  - Col 4: Total physician IP & OP charges

# Schedule D: Uncompensated Physician Costs

- Hospitals should report only charges incurred for hospital-based physicians for professional services
- Schedule D combines IP & OP
  - Col. 6: MassHealth FFS
  - Col. 8: MMCO
  - Col 10: HSN & Uninsured
  - Col 12: Dual Eligible

# Schedule E: Safety Net Health Care System Expenditures

- Schedule E enables hospitals to report additional allowable expenses for the Medicaid-eligible and uninsured that are:
  - Not otherwise captured through the prior schedules (2552 allocation); and
  - Are an allowable expense per the Waiver Cost Protocol (refer to the table in the instructions, pp. 13 – 16)
- EOHHS will review the expenses reported on Schedule E and determine if costs are allowable

# Schedule E: Safety Net Health Care System Expenditures

- Select examples:
  - Social, financial, interpreter expenses
  - Health care for the homeless
  - Administrative costs of the hospital's employed physicians
  - Public hospital retirees and pension benefits

# Schedule E: Safety Net Health Care System Expenditures

- Report the type of expenses
- Total system expense (col 1)
- Medicaid & HSN/Uninsured payer proportion
  - Generally the ratio of Medicaid, HSN, and Uninsured charges (GPSR) as proportion of total charges
  - May report different ratio, but hospital must justify difference in narrative description



# Schedule F: Medicaid and Uninsured Revenue

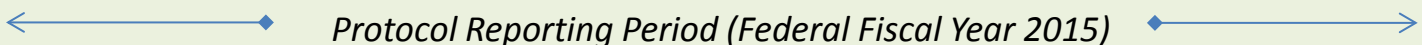
- Hospitals should report revenue received corresponding to the charges reported on schedules A-E
- Report revenue received from all sources, not only Medicaid and HSN
  - i.e. dual-eligible patients will have Medicare or third-party revenue
- Performance payments
  - Lines 2 & 11 request performance payments (e.g. P4P). These will not be offset against costs for the purpose of the protocol (line 18). Requested to ensure that these amounts are not included elsewhere.

# Notes Tab

- Use the final tab to report any additional notes regarding the cost report
- May also submit separate attachment in the email submission

# Submission Process

# UCCR Filings Required for Cost Limit Protocol

	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15
<b>Hospital FYE</b>	 <i>Protocol Reporting Period (Federal Fiscal Year 2015)</i>											
<b>12/31</b>	FY2014 UCCR			FY2015 UCCR								
<b>1/31</b>	FY2015 UCCR				FY2016 UCCR							
<b>6/30</b>	FY2015 UCCR									FY2016 UCCR		
<b>8/31</b>	FY2015 UCCR										FY16 UCCR	
<b>9/30</b>	FY2015 UCCR											

# UCCR Filing Schedule per Protocol

- The cost limit must be completed for federal fiscal year 2015 (FYE 9/30)
- UCCRs are to be filed based on the hospital's own fiscal year end
  - Filed 3 months after CMS-2552 cost report is filed (i.e. 8 months after FYE)
- To complete the calculation for hospitals with FYEs other than 9/30, EOHHS must prorate cost reports from contiguous time periods
- Interim calculations to be completed within 12 months of UCCR filing
- Final calculations to be completed within 12 months of when audited CMS-2552s are available online

# Updated UCCR Filing Schedule

## FY15 Calculation Cycle

Hospital FYE	Hospitals	FY14 UCCR Due Date	FY15 UCCR Due Date	FY16 UCCR Due Date
12/31	16	4/30/2016	8/31/2016	8/31/2016
1/31	2	No filing	4/30/2016	9/30/2016
6/30	10	No filing	4/30/2016	2/28/2017
8/31	3	No filing	4/30/2016	4/30/2017
9/30	54	No filing	5/31/2016	5/31/2017

EOHHS will work with individual hospitals re: extension requests

# Submission Process

- Email the completed UCCR report to:  
[CostLimitProtocol@state.ma.us](mailto:CostLimitProtocol@state.ma.us)
- You may also use this email for questions regarding the report or other technical issues
- We will also be creating webpage on the EOHHS portal and will include templates, instructions, and FAQs
- You may also contact me with questions:  
[Michael.grenier@umassmed.edu](mailto:Michael.grenier@umassmed.edu)  
(617) 886-8160

# Questions & Answers