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.

<table>
<thead>
<tr>
<th>Provider Payments (Limited by Protocol)</th>
<th>Other (Not affected by Cost Limit Protocol)</th>
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</thead>
<tbody>
<tr>
<td>- Public Service Hospital Supplemental</td>
<td>- Delivery System Transformation (DSTI)</td>
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<td>- Health Safety Net</td>
<td>- Public Hospital Transformation</td>
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<tr>
<td>- Institution for Mental Disease (IMD)</td>
<td>- Designated State Health Programs</td>
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<tr>
<td>- Department of Public Health Hospitals</td>
<td>- Infrastructure and Capacity Building</td>
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<td>- Department of Mental Health Hospitals</td>
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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
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

<table>
<thead>
<tr>
<th>Schedules</th>
<th>Purpose</th>
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<tbody>
<tr>
<td>Cover Sheet</td>
<td>Hospital and report information</td>
</tr>
<tr>
<td>A</td>
<td>Collect CCR &amp; FFS charge data, calculate FFS costs</td>
</tr>
<tr>
<td>B</td>
<td>Calculates Routine Per Diems used in calculations</td>
</tr>
<tr>
<td>C</td>
<td>Calculates Medicaid MCO, HSN, Uninsured, Duals costs</td>
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<tr>
<td>D</td>
<td>Calculates Physician costs (FFS, MCO, HSN, Uninsured, Duals)</td>
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<tr>
<td>E</td>
<td>Collects Additional allowable expenses</td>
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<tr>
<td>F</td>
<td>Collects Revenue Data</td>
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</table>
• 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)
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

## Protocol Reporting Period (Federal Fiscal Year 2015)

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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

<table>
<thead>
<tr>
<th>Hospital FYE</th>
<th>Hospitals</th>
<th>FY14 UCCR Due Date</th>
<th>FY15 UCCR Due Date</th>
<th>FY16 UCCR Due Date</th>
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EOHHS will work with individual hospitals re: extension requests
Submission Process

• Email the completed UCCR report to: 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 (617) 886-8160
Questions & Answers