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Governor



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Public Workshop: Private Hospital Supplemental Payments

Division of Health Care Financing & Policy

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Department of Health and Human Services

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Agenda

1. Background on New Private Hospital Fee
2. New Supplemental Payments
3. Next Steps for Implementation
4. State Plan Amendment Review



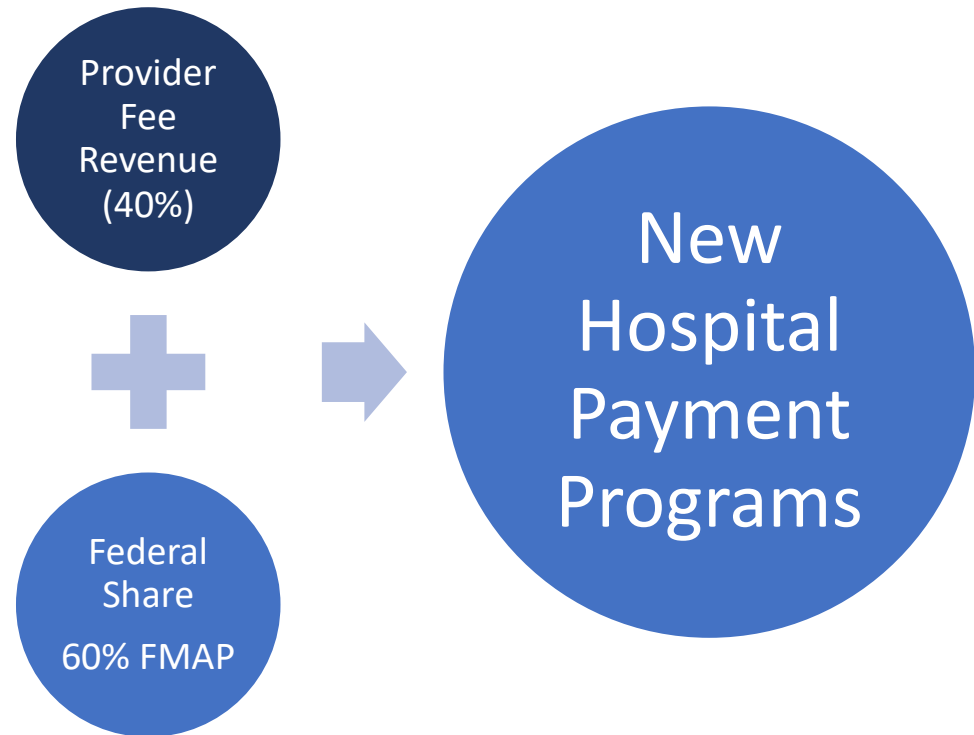


New Nevada Private Hospital Fee

Nevada Hospital Association approached Division to request that Director leverage his authority under NRS 422.3791-3795 to establish a **new provider fee on private hospitals**

Goal is to utilize revenue from new fee to fund new **private hospital Medicaid payment programs**

Revenue from provider fee would act **as state Medicaid share**, capturing new federal Medicaid share for certain categories of services eligible for the new payment programs





New Medicaid Payments for Private Hospitals

Upper Payment Limit (UPL) Supplemental Payments: Medicaid payments to select providers above the amount paid to such providers in Medicaid rates in the fee-for-service system; annual limit is based on Medicare upper payment limit.

- Inpatient services
- Outpatient services

State Directed Payments: State “directs” managed care plans to pay select providers specific payments instead of plans negotiating the rates/payments directly with providers. (Example, a payment for services will be increased at a % above contracted rates.)

- Inpatient services
- Outpatient services



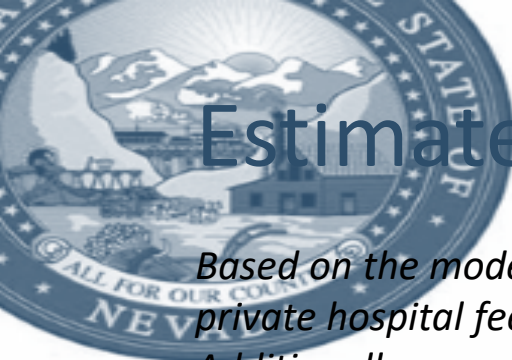


New Supplemental Payments by Private Hospital Subclass

Approximately 55 hospitals will be eligible for the new supplemental Medicaid payment programs for services provided to members enrolled in fee-for-service and managed care delivery systems

	UPL Programs	SDP Programs
<i>Inpatient Setting/Services</i>		
Critical Access Hospitals	X	X
Acute Care Hospitals	X	X
Long Term Acute Care Hospitals	X	X
Rehabilitative Hospitals	X	X
Psychiatric Hospitals	X	X
<i>Outpatient Setting/Services</i>		
Critical Access Hospitals	X	X
Acute Care Hospitals	X	X
Long Term Acute Care Hospitals		
Rehabilitative Hospitals		
Psychiatric Hospitals	X	X





Estimated Payment Amounts

Based on the model submitted by Nevada Hospital Association, these are estimated payment amounts from the new private hospital fee. It should be noted these amounts may change based on federal policies and CMS review.

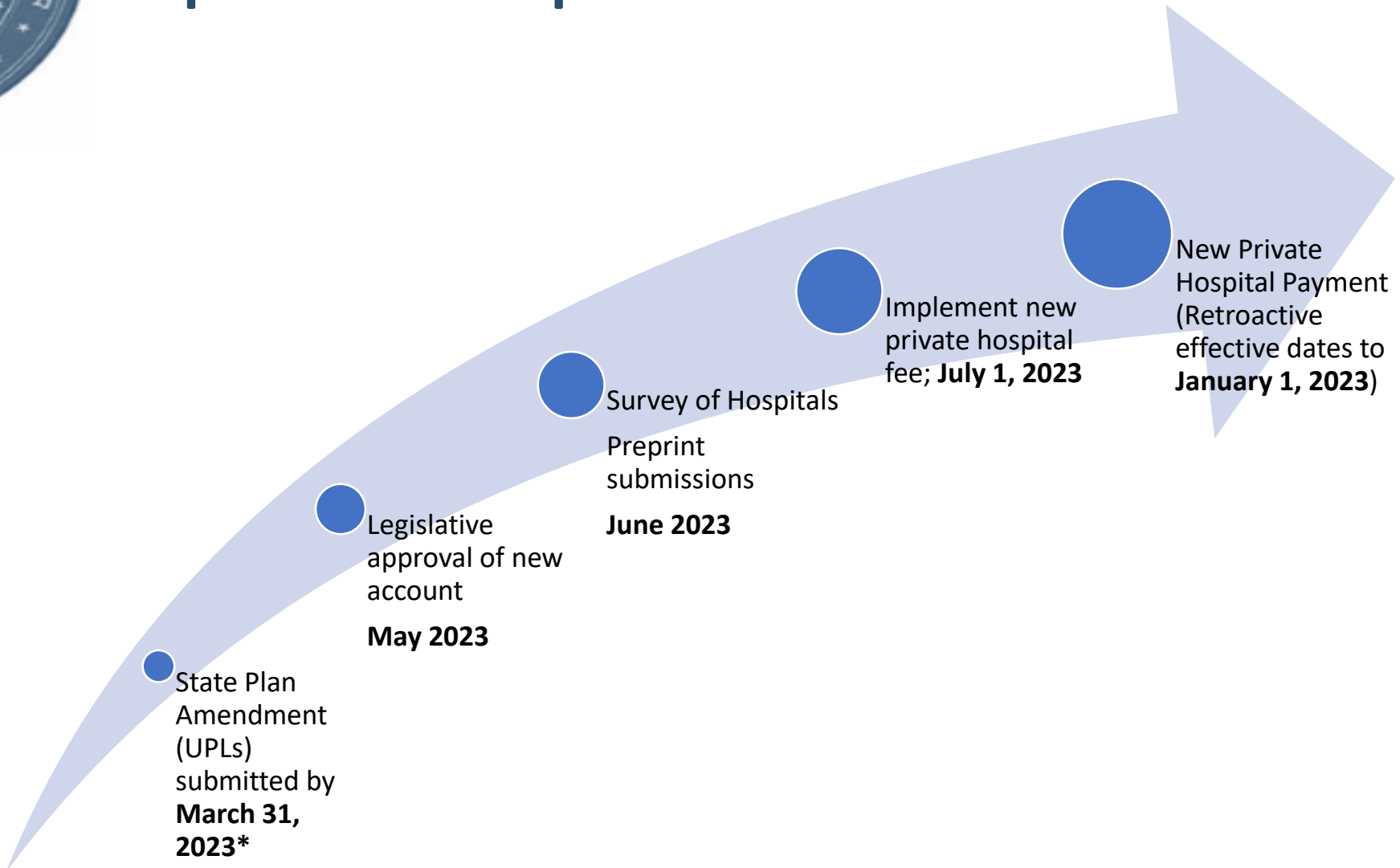
Additionally, some portion of the assessment revenues will be held back for certain purposes, such as ongoing state administrative costs associated with overseeing and managing the programs which are not reflected in this modeling.

Total Computable for Private Hospital Pools						
	FFS UPL		Managed Care DPP		Total	
	State Share	Total	State Share	Total	State Share	Total
Inpatient						
Psych	2,253,875	6,034,470	8,823,315	23,623,334	11,077,190	29,657,804
CAH	25,159	67,361	308,569	826,154	333,728	893,515
Acute	19,406,653	51,958,909	196,641,744	526,483,921	216,048,397	578,442,830
LTAC	5,033,307	13,476,055	6,580,812	17,619,310	11,614,119	31,095,366
Rehab	1,077,567	2,885,052	676,895	1,812,304	1,754,462	4,697,356
	27,796,560	74,421,848	213,031,336	570,365,023	240,827,896	644,786,871
	FFS UPL		Managed Care DPP		Total	
	State Share	Total	State Share	Total	State Share	Total
Outpatient						
Psych	15,761	42,198	363,606	973,511	379,368	1,015,710
CAH	8,769,898	23,480,315	690,213	1,847,959	9,460,110	25,328,274
Acute	44,122,759	118,133,223	86,744,062	232,246,484	130,866,821	350,379,707
LTAC	-	-	-	-	-	-
Rehab	-	-	-	-	-	-
	52,908,418	141,655,737	87,797,881	235,067,954	140,706,299	376,723,691



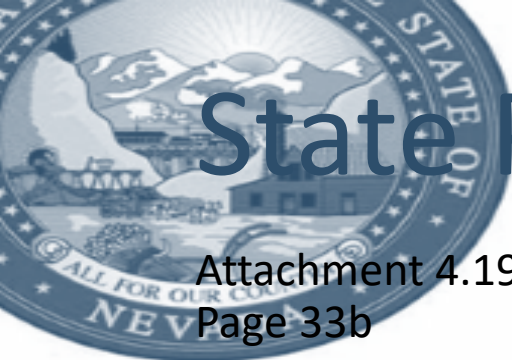


Next Steps for Implementation



Public hearing for State Plan Amendments will be held in March.





State Plan Amendment #1 Review

Attachment 4.19-A
Page 33b

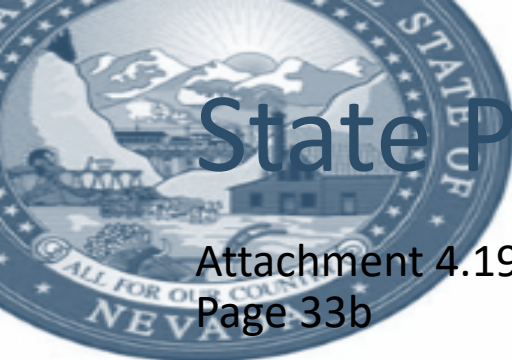
UPPER PAYMENT LIMIT SUPPLEMENTAL PAYMENTS FOR INPATIENT HOSPITAL SERVICES AT PRIVATE HOSPITALS

In order to preserve access to inpatient hospital services for needy individuals in the State of Nevada, effective January 1, 2023, the state's Medicaid reimbursement system shall provide for certain upper payment limit (UPL) supplemental payments to all qualifying private hospitals in the State of Nevada. These supplemental payments shall be determined on an annual basis and paid to qualifying private hospitals on a quarterly basis. These supplemental payments are for Medicaid **fee-for-service inpatient hospital services**. The supplemental payments shall not exceed, when aggregated with other payments made to private hospitals under all other provisions of the state plan, 100% of a reasonable estimate of the amount that would be paid for such services under Medicare payment principles (i.e. the UPL).

(1) Eligibility

1. All private hospitals in the State of Nevada are eligible to receive an Inpatient Hospital UPL supplemental payment.





State Plan Amendment #1 Review (continued)

Attachment 4.19-A
Page 33b

(2) Methodology

For purposes of these supplemental payments, private hospitals are subdivided into the following classes of hospitals:

- A. Freestanding psychiatric hospitals
- B. Rehabilitation hospitals
- C. Long Term Acute Care hospitals (LTACs)
- D. Short Term Acute Care hospitals (STACs)
- E. Critical Access Hospitals (CAHs)

For each class of hospitals, the state will calculate the aggregate difference between Medicaid payments for inpatient hospital services made under all other provisions of the state plan and the UPL for such services. Data from the state's most recent UPL demonstration to CMS, trended to the payment year, will be used as the estimate for the UPL. Medicaid payments used to calculate the aggregate difference will be from the same year as the UPL demonstration data, trended to the payment year, as appropriate.





State Plan Amendment #1 Review (continued)

Attachment 4.19-A
Page 33b

The annual payment amount for each hospital is calculated as follows:

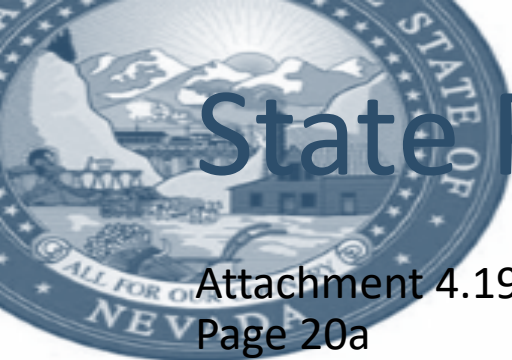
A. For freestanding psychiatric hospitals, rehabilitation hospitals, LTACs and CAHs, each hospital will receive a payment equal to its non-negative proportional contribution to the aggregate difference between Medicaid payments paid under all other provisions of the state plan and the UPL for that class of hospitals.

B. For STACs, the payment to each hospital will be calculated as follows:

1. First, the state will calculate the aggregate difference between Medicaid payments paid under all other provisions of the state plan and the UPL for all STACs.
2. Second, each hospital will receive a share of the amount calculated in (2)(B)(1) above based on that hospital's proportion of the total fee-for-service paid Medicaid days provided by all STACs during the year used for the UPL demonstration.

The annual payment amount will be paid in four equal quarterly amounts at the end of each quarter. However, for state fiscal year 2023, the total annual payment amount will be paid out in one lump sum after the end of the state fiscal year.





State Plan Amendment #2 Review

Attachment 4.19-B
Page 20a

UPPER PAYMENT LIMIT SUPPLEMENTAL PAYMENTS FOR OUTPATIENT SERVICE AT PRIVATE HOSPITALS

In order to preserve access to outpatient hospital services for needy individuals in the state of Nevada, effective January 1, 2023, the state's Medicaid reimbursement system shall provide for certain upper payment limit (UPL) supplemental payments to all qualifying private hospitals. These supplemental payments shall be determined on an annual basis and paid to qualifying private hospitals on a quarterly basis. The supplemental payments are for Medicaid fee-for-service outpatient hospital services. The supplemental payments shall not exceed, when aggregated with other payments made to private hospitals, 100% of a reasonable estimate of the amount that would be paid for such services under Medicare payment principles for private hospitals (i.e., the UPL).

(1) Eligibility

All private hospitals in the State of Nevada are eligible to receive an Outpatient Hospital UPL supplemental payment.





State Plan Amendment #2 Review (continued)

Attachment 4.19-B
Page 20a

(2) Methodology

The state will calculate the aggregate difference between Medicaid payments for outpatient hospital services made under all other provisions of the state plan and the UPL for such services. Data from the state's most recent UPL demonstration to CMS, trended to the payment year, will be used as the estimate for the UPL. Medicaid payments used to calculate the aggregate difference will be from the same year as the UPL demonstration data, trended to the payment year, as appropriate.

The annual payment amount for each hospital is calculated as follows:

1. First, the state will calculate the aggregate difference between outpatient Medicaid payments paid under the state plan and the UPL for all private hospitals.
2. Second, each hospital will receive a share of the amount calculated in (1) above based on that hospital's proportion of the total number of Medicaid claims paid for outpatient fee-for-service for all private hospitals during the year used for the UPL demonstration.

The annual payment amount will be paid in four equal quarterly amounts at the end of each quarter. However, for state fiscal year 2023, the total annual payment amount will be paid out in one lump sum after the end of the state fiscal year.



Questions

