

Hidalgo County Waiver Program

- Regional Health Partnerships (“RHPs”) are waiting for the Health & Human Services Commission (“HHSC”) to release final figures for payments to local safety-net providers. HHSC agreed to update the database to reflect more accurate numbers for Hidalgo County on July 21, 2013. We expect the final numbers for the year to be released in October 2013.
- HHSC is generously offering safety-net hospitals the ability to access Advanced Waiver Payments in August of 2013. Intergovernmental Transfers (“IGTs”) to fund the Advanced Waiver payments must be entered into the Tex-Net System by July 26, 2013. HHSC, however, granted Hidalgo County an extension of this deadline through July 31, 2013 so that Hidalgo County safety-net providers can adjust to the most up to date data.
- Now that HHSC has agreed to update the data for Hidalgo County, the Advanced Waiver Payments available is equal to **½ of the hospital’s uncompensated care at cost**. Safety-net providers are grateful for the opportunity to access the much-needed supplemental payments. **This interim calculation includes costs associated with indigent care and patients that are unable to purchase any form of third party insurance.**
- Due to limited resources, Hidalgo County safety-net hospitals have not traditionally had sufficient funding to gain full access to the Waiver. As a result, the Legislature passed Senate Bill (“SB”) 1623 creating the Local Provider Participation Fund (“LPPF”). The goal of the LPPF is to assist hospitals in Webb, Cameron, and Hidalgo counties generate funding to strengthen the local safety-net system by improving access, availability, delivery and funding for the healthcare safety-net. The LPPF solves the inequity created by the Waiver, whereby hospitals in large urban markets are able to access 100% of the funding available, while hospitals on the border only accessed approximately 13% of the available funding.
- Specifically, SB 1623 allowed local Healthcare Funding Districts (“Funding Districts”) to assess mandatory payments on their local hospitals. The Funding District has the option of utilizing the revenue generated to assist in accessing Waiver payments. The mandatory payment, however, is capped at 6% of a hospital’s revenue.
- It is important to recognize that the mandatory payments are intended to **supplement** the traditional County funding currently being utilized to fund the Waiver.
- The interim funding available to Hidalgo County safety-net hospitals was originally \$15,020,457. Accessing these payments, however, requires an IGT of \$6,113,326. HHSC, however, chose to utilize an updated cap for McAllen Medical Center. The adjustment more accurately reflected the services provided to patients that are uninsured. As a result of HHSC’s decision, Safety-Net Hospitals are now eligible to receive \$25,836,118 for the upcoming funding period. This will require an IGT equal to \$10,515,300.
- Hidalgo County can choose to establish a mandatory payment rate to fund the LPPF. If the County chooses to proceed, the county can establish a mandatory payment rate for Federal Fiscal Year (“FFY”) 2013 equal to approximately .8255%. Establishing a .8255% mandatory payment rate generates \$10,535,300 that will go into the Hidalgo County LPPF. Exhibit A illustrates the mandatory payment funding model.
- The Hidalgo County Safety-Net Hospitals respectfully request that the Commissioners Court consider establishing the mandatory payments at a .8255% rate.
- The Court is also considering Agenda Item 10(A)2 which references the approval of an IGT of \$6,113,326. In light of HHSC’s willingness to update their database with more current information, we request that the Court consider leave Agenda Item 10(A)2 pending and return next week to consider an IGT of \$10,515,300. These funds will be available via the LPPF.

Provider Name	Mandatory Payment at .8255%		Administrative Fee	Total Assessment
Columbia Rio Grande Healthcare dba <u>Rio Grande Regional Hospital</u>	\$ 1,491,566.00	14.18%	\$ 2,836.94	\$ 1,494,402.94
Doctor's Hospital at Renaissance	\$ 3,453,194.00	32.84%	\$ 6,567.94	\$ 3,459,761.94
Knapp Medical Center	\$ 1,062,450.00	10.10%	\$ 2,020.77	\$ 1,064,470.77
McAllen Hospitals LP dba <u>Edinburg Regional Medical Center</u>	\$ 2,979,744.00	28.34%	\$ 5,667.44	\$ 2,985,411.44
Mission Hospital Inc	\$ 951,012.00	9.04%	\$ 1,808.82	\$ 952,820.82
Solera Hospital McAllen LP	\$ 194,654.00	1.85%	\$ 370.23	\$ 195,024.23
Cornerstone Regional Hospital	\$ 85,735.00	0.82%	\$ 163.07	\$ 85,898.07
LifeCare Hospitals of South Texas	\$ 228,581.00	2.17%	\$ 434.76	\$ 229,015.76
Weslaco Rehab Hospital	\$ 68,364.00	0.65%	\$ 130.03	\$ 68,494.03
	\$ 10,515,300.00		\$ 20,000.00	\$ 10,535,300.00