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Cc: Cantu, Rene (HHSC); Govind, Selvadas (HHSC)

Subject: IMPORTANT - UC Payment Data

Attachments: Preliminary - 2014 UC Payment Calculation - 5-18-15.xlsx; Final - 2014 DSH Model Scenario Analysis_Final 2014 Payment (Includes OI...xlsx)

Importance: High

Dear UC Provider,

The purpose of this e-mail is to share preliminary demonstration year 3 (DY3) uncompensated care (UC) data and calculations with all UC providers for review and comment. **All comments are due to the Health and Human Services Commission as indicated below by 5:00 p.m., Thursday, May 21, 2015.**

ATTACHED FILES

Attached are two Excel files: the final disproportionate share hospital (DSH) calculation file (*Final - 2014 DSH Model Scenario Analysis_Final 2014 Payment (Includes OI but holds back 3.5 percent)*) and the preliminary file used to calculate the DY 3 (FFY 2014) UC payments for all participating providers (*Preliminary - 2014 UC Payment Calculation - 5-18-15*).

These files are linked and in order for the UC file to properly present information, you must save both files to the same directory, open the DSH file first (if asked if you want to update links, say "no") and then open the UC file. Please note that we are only seeking comment on the UC file; the DSH file is final until the final 3.5 percent payment and we are not seeking feedback on it at this time.

The UC file is NOT the final payment file, so please do not submit any IGT or IGT commitment forms at this time. HHSC will distribute a Final UC file on or around Tuesday, May 26, with IGT commitment forms due to HHSC by Friday, May 29, and then further communications containing each provider's actual IGT amount after finalizing the UC "haircut". Actual IGTs will likely be due in early June.

REQUESTED REVIEW OF DATA

HHSC is asking that all providers review their UC data, classifications (specifically their "UC Pool Type" and "Rider 38" status), all costs pulled from their submitted UC tools and the UC calculations. UC data, classifications and costs can be found in the "Data 5-18-15" tab in the attached "Preliminary – 2014 UC Payment Calculation" workbook. UC calculations are presented in the "UC Calculations by Hospital" tab. For a small number of providers, certain data points have been adjusted between the "Data 5-18-15" tab and the "UC Calculations by Hospital" tab; in such cases, a note has been added in the "Notes" column to explain the change.

It is imperative that all of the "UC Pool Type" designations are correct, as this field is used to determine the allocation of the funding pools, and changing this designation for even one provider will have a ripple effect on all other providers' payment amounts. If you find that you are erroneously classified in the attached workbook, please respond with documentation that validates your hospital's correct ownership type.

Additionally, please verify that your facility's Rider 38 hospital status is correct. Per Title 1 of the Texas Administrative Code (TAC) §355.8201, a Rider 38 hospital is defined as "a hospital located in a county with 60,000 or fewer persons according to the most recent United States Census, a Medicare-designated Rural Referral Center, a Sole Community Hospital, or a Critical Access Hospital." Having the Rider 38 hospitals correctly identified is equally imperative as the UC Pool Type, and can have the same ripple effect if even one change is made.

HHSC made many adjustments to the pre-populated data in the tool, and shared these adjustments with providers in recent months. While no changes have been made since the last file containing all providers' UC costs was shared, we ask that providers review their Schedule 1, 2, and 3 and adjustment amounts one final time to ensure that all adjustments and updates were accounted for and that they agree with the final costs pulled from the tools.

EXCLUDED PROVIDERS

There are two additional tabs after the "Data 5-18-15" tab that list providers who were removed from the UC payment calculation for various reasons. The "Removed from UC-Negative Costs" tab shows providers who have negative UC costs, in many cases due to the UC exclusion of costs and revenues for individuals between the ages of 21 and 65 receiving care in an Institution for Mental Disease (IMD). The final tab, "Removed from UC-Missing Docs" lists providers who submitted a tool, but either do not have any affiliations with an IGT entity on file and did not submit any affiliation agreements before the May 6th deadline or did not submit documentation of participation in a Regional Healthcare Partnership (RHP). If your hospital is on this list and can provide documentation that shows an affiliation agreement was submitted before the deadline, HHSC will accept the new affiliation and add your facility back into the payment calculation. However, pursuant to 1 TAC §355.8201 (c)(1)(B)(iii)(b), all affiliation agreements must be submitted 30 days before the IGT due date, therefore HHSC can no longer accept affiliations that were not submitted before the deadline.

UPCOMING PAYMENT TIMELINE

Below is the tentative timeline for the upcoming UC payment. Please note that the turnaround time for submitting both the IGT commitment form and the IGT itself is three days, which is shorter than in previous years. HHSC asks that providers monitor their email during these timeframes, as we expect all facets of the payment to occur on or around the following dates:

- Thursday, May 21st – Deadline for Provider Feedback on Data
- Tuesday, May 26th – IGT Commitment Forms sent to Providers
- Friday, May 29th – IGT Commitment Forms Due to HHSC
- Tuesday, June 2nd – IGT Notification Sent to Providers
- Friday, June 5th – Last Day to Enter IGT Into TexNet
- Monday, June 8th – IGT Settlement Date
- Tuesday, June 30th – All UC Providers Paid

HOW TO SUBMIT FEEDBACK

HHSC is asking that all providers submit their feedback by 5:00 p.m., Thursday, May 21, 2015.

Comments, concerns and changes regarding your hospital's data and classification should be submitted to: the UC Tools mailbox at uctools@hhsc.state.tx.us.

Comments and concerns about the actual calculations performed in the "*UC Calculations by Hospital*" tab should be submitted to Pam McDonald at pam.mcdonald@hhsc.state.tx.us.

Beginning Friday morning, we will incorporate any verifiable changes into the data.

PARTIAL DSH PAYMENTS

On a separate note, we have received several inquiries from DSH providers as to why they have only received a portion of their total 2014 DSH payment. Each provider's 2014 DSH Pass 1 and 2 payment is required to be processed in two parts to allow for tracking of payments supported by general revenue funds versus payments supported by IGTs with the second payment scheduled to fund May 20, 2015. If you do not receive your remaining DSH Pass 1 and 2 payment by Wednesday, May 27, please contact the DSH payment team at DSHPayments@hhsc.state.tx.us.

Thank You,

Mance Fine

Rate Analyst

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