



Florida Low Income Pool Payment Examination FAQs- Updated October 9, 2020

Extensions

Question: Will extension requests be considered?

Answer: Myers and Stauffer may allow a two week extension upon request. Extension requests longer than two weeks may require State approval.

Exemptions

Question: Will there be any exemption to completing the LIP cost form, based on materiality?

Answer: For compliance with the Reimbursement and Funding Methodology Document (RFMD), all hospitals that received a LIP payment are required to provide a completed LIP cost limit form, regardless of the size of the LIP payment received.

Allowable Uncompensated Charity Care/Exhibit A

Question: Are county indigent programs allowed to be included in Uninsured Charity Care? If a healthcare district has an uninsured insurance program that is self-funded, could those claims be included as indigent?

Answer: These claims may be included provided they meet the following criteria:

- The charges have not already been paid for with Federal matching funds.
- The charges meet the hospital's charity care policy criteria.
- The charges are for fully uninsured patients.
- The programs do not meet the definition of insurance.

Question: Should Medicaid excluded benefits be included if the patient's benefits were exhausted during their stay?

Answer: Medicaid patients with exhausted benefits can only be included if the entire claim is deemed as fully exhausted. If any portion of the claim is paid by a Medicaid payor and then the remainder of the claim is deemed exhausted during the stay, it cannot be included.

Question: Should insured patients with exhausted benefits be included? Should uncompensated care for insured patients be included?

Answer: Insured patients with exhausted benefits can only be included if the entire claim is deemed as fully exhausted. If any portion of the claim is paid by third party insurance and then the remainder of the claim is deemed exhausted during the stay, it cannot be included.

Question: What is allowable as uncompensated charity care charges?



Answer: Per the RFMD, uncompensated charity care is defined as healthcare services that have been or will be provided but are never expected to be reimbursed by a recipient of the services or third party payor, that were furnished through a charity care program operated by the provider and that adheres to the principles of the Healthcare Financial Management Association. The hospital should adhere to its hospital charity care policy.

If the hospital's charity care policy allows for partial charity care discounts or a sliding scale fee structure, the total charges for services provided reflected on Exhibit A should encompass total gross charges prior to any charity care discount. The portion of the charges qualifying for a charity care discount applicable to the services should be included in the total charges qualifying for uninsured charity care. Likewise, routine days of care reflected on Exhibit A should include the total length of stay, whereas the routine days of care qualifying for uninsured charity care should reflect the portion of the stay qualifying for the charity care discount.

Question: Is the Exhibit A detail based on what was on Worksheet S-10 of the cost report or the charges for uncompensated care during the cost report year?

Answer: Exhibit A detail should be based on charges for uncompensated care with dates of service during the cost report year. Any claims that occurred outside the cost report year but included on Worksheet S-10 should be included as a reconciling item on the Worksheet S-10 reconciliation.

Question: Does "eligible for charity care" require a specific write-off to "charity"? For example, exhausted Medicaid may be written off to contractual adjustments, though qualification for Medicaid is within the Financial Assistance Policy (FAP) for charity.

Answer: No, the account does not have to be specifically written-off to "charity". Included claims must fully adhere to the hospital's charity care policy and cannot include uninsured claims that were written off wholly or partially to bad debt.

Question: Since there is often a huge difference in service date vs write-off date, will there be future reopening of the cost limits in later years when additional claims from DY 12 have finally been written off to charity?

Answer: Per the RFMD, the state must submit a LIP Cost Reconciliation report to CMS within three years after the end of each DY showing cost reconciliation results by provider. The RFMD does not allow for reopening of LIP Cost Reconciliations after submission to CMS.

Question: Should claim information be based on Admit Date or Discharge Date?

Answer: Claim information should be submitted based on admit date, which was the State methodology of reporting prior to May 26, 2020. If the cost report is filed based on discharge date, discharge date methodology may be used. Reporting methodologies should remain consistent from year to year, however.

Question: Must uninsured charity charges all be subject to an income / needs based test, or can general discounts given to all uninsured patients be included?



Answer: Claims for uninsured patients may be included as long as the account was not written off wholly or partially to bad debt and qualify under on the hospital's charity care policy.

Question: Is the applicable definition of "charity care" the same as eligible for "financial assistance" under the hospital Financial Assistance Policy?

Answer: It would depend on the hospital's charity care policy, but if the charity care policy defines charity care as financial assistance, it may be included.

Question: How is the LIP reporting different from the DSH reporting? If filing reports for DSH is this a duplication of effort? How does LIP uninsured reporting differ from DSH reporting?

Answer: The LIP pool of funds was created to ensure continuing support for safety net providers that furnish uncompensated charity care to uninsured individuals and cannot cover a hospital's Medicaid shortfall, bad debts, or uncompensated care for insured individuals. LIP allows for a different subset of claims than DSH. While there are similarities in the data sets, this is not a true duplication of effort with the DSH examination. There have been discussions regarding potentially streamlining the LIP and DSH cost limit and surveys in the future, however, for the current year they are separate data collections.

Question: Why is the date of service being used as the metric for claim inclusion when S-10 charity care write-offs are based on write-off date?

Answer: Per the RFMD, an uninsured person is defined in part as a "person with no source of third party coverage on the date of service captured within a defined cost reporting period", therefore, dates of services within the cost report period must be used.

Question: Is it required that all revenue codes per claim be listed? Could total charges per claim be listed instead of detailed revenue codes?

Answer: Revenue code level detail should be submitted in Exhibit A to ensure the charges are correctly cross-walked to the appropriate Medicare cost report cost centers and to ensure non-Medicaid covered services are excluded. If you are having issues querying data with revenue code level detail, please reach out to Myers and Stauffer.

Question: Uncompensated care claims should be reported based on service dates (admit date). Do we include claims that have service dates within the FY but were written off to charity in subsequent years?

Answer: If a claim is deemed as an uncompensated care claim and occurred within the cost report year but not written off until a subsequent year, it should be included.

Question: The FHURS report instructions for charity, which determine LIP, allow charity only based upon an income based test. Regardless of our internal identification of charity, must we determine charity based upon an income based test?

Answer: The hospital's charity care policy should be utilized to determine whether a claim is allowable.



Question: Are self-pay discounts allowed to be included with charity care?

Answer: If the claim fully meets the standard of charity care per the hospital's definition, it can be included.

Cost Report

Question: The S-10 data is under audit. Should the original amounts submitted on S-10 be utilized?

Answer: Values from the most recent cost report that has been accepted by CMS should be utilized in the review.

Question: Can unaudited cost reports be utilized?

Answer: Yes. Values from the most recent cost report that has been accepted by CMS should be utilized in the review.

Hospital Payments and Recoveries

Question: If a provider does not receive a DSH payment, how will their LIP cost limit calculation be affected?

Answer: Per the RFMD, Appendix C – Hospital Cost Limit Reporting, C. Hospital Payments and Recoveries, using the most current Medicaid DSH Audit submitted to CMS that overlaps the LIP Cost reporting period, the State will calculate the percentage of charity care costs to total Medicaid DSH Audit Inpatient/Outpatient Uninsured Cost of Care associated with each Medicaid DSH facility. If a provider did not receive a DSH payment, no offset will occur.

Miscellaneous

Question: Is the data being collected on the LIP cost limit form being used only for retroactive reconciliation or will it be used to determine LIP payments in future?

Answer: The data being collected on the LIP cost limit form is used to determine if the DY12 payments are supported by uncompensated care costs. Depending on the hospital's fiscal year, the information collected on this year's LIP Cost Limit Form may also be utilized in DY13's review, however, the data is not currently intended to be used to determine future LIP payments.

Question: Can charity care be supported by sources other than the cost report?

Answer: Charity care data reported on the LIP cost limit form must be supported by patient level detail for uninsured charity care claims occurring during the cost report period. These claims will then be costed using the most recent Medicare cost report accepted by CMS.

Question: Is there a file name character limit size on the files to upload?

Answer: The character limit on the name of a file is 254 character.