



Draft Summary
Low Income Pool (LIP) Council
Tuesday, November 29, 2011
10:00 a.m. - 4:00 p.m.

Members Present

Phil Williams, LIP Chairman
Dee Schaeffer
Kevin Kearns
William Robinson
John Benz
Steve Harr
Steve Short
Hugh Greene
Mike Hutchins
Dr. Karen Chapman
Fred Ashworth
Dr. Edwin Pigman

Members Attending by Phone

Steve Mason
Mike Marks
Lewis Seifert
Ray Reed
Charlotte Mather
Patrick Schlenker
Dr. Ron Wiewora
Michael Gingras
Gary Uber
Dr. Mark McKenney

AHCA Staff and Presenters

Justin Senior
Tom Wallace
Lecia Behenna
Bill Perry
Ryan Perry
Nicole Maldonado

Members Absent

Mark Knight
Dave Ross

Welcome

The Low Income Pool (LIP) Council meeting was conducted at the Agency for Health Care Administration (Agency) in Tallahassee, Florida. Phil Williams, LIP Council Chairman and Assistant Deputy Secretary for Medicaid Finance, opened the meeting with a welcome and a brief roll call. November 8th Minutes were approved with no objection.

Model Presentations

Model 8 – Dr. Ron Wiewora

Model 8 was presented by Dr. Wiewora:

- Special LIP – same as Prior Year (2011-2012)
- Allocation Factor – 8.5%
- Exemptions:
 - Used Medicaid Cost Report patient days
 - Children's 83.00%
 - Trauma, GAA, Specialty 55.11%

- Statutory Teaching 67.50%
 - CHEP 55.11%
 - Over 15% 55.11%
 - 11% to 14.9% 55.11%
- Health Care District of Palm Beach County will provide additional \$17 million in IGTs.
 - Additional \$1.0 million net for Premium Assistance program
 - New \$6.8 million net for Market Based Primary Care coverage

Model 9 - William Robinson

Model 9 was presented by Mr. Robinson:

- Allocation Factor – 8.5%
- Proportional Pool - \$2.4 million (rural, only)
- Special LIP - \$98.4 million (Same as SFY2011-12)
- Non Hospital LIP - \$96.3 million (Increase of \$16M in new primary care initiatives)
- DSH - \$260 million (Same as SFY 2011-12)
- Increased the percentages for each Exemption Tier to the following:
 - Children’s 91.00%
 - Teaching 75.00%
 - Trauma 70.5905%
 - Public 70.5905%
 - CHEP 70.5905%
 - Specialty 70.5905%
 - 11% or greater 70.5905%
- Total Exemptions – \$703.7 million (Includes Liver Global Fee)
- Quality Add-on \$25.0 million:
 - Ranked the exempt hospitals risk adjusted rates in each of the 6 categories below from low to high:
 - Acute Myocardial Infarction (AMI) without transfer (Mortality)
 - Heart failure (Mortality)
 - Pneumonia (Mortality)
 - AMI – Total (Readmission)
 - Heart Failure (Readmission)
 - Pneumonia (Readmission)
 - Each category received one-sixth of the \$12.5 million allocation or approximately \$2.083 million
 - Any Hospital ranked below the median of all exempt hospitals in that category received approximately a .5% add-on (actual % ranged from .3554% to .6237%). Maximum % add-on for hospitals in all 6 categories was 3.0372%
 - \$12.5 million for CMS Core Measures (All payors):
 - Used Model 16 to allocate funds to 30 exempt hospitals whose “Grand Composite Scores” were above the median of the group

- Equated to an approximate 4.219% add-on to the Exemption Percentage
- \$12.5 million for AHCA Outcome Measures (All payors):
 - Used AHCA (All payors) instead of CMS (Medicare)
 - Used AHCA's risk adjusted mortality and readmission rates

Model 16 - Mike Marks

Model 16 was presented by Mr. Marks:

- Special LIP – same as Prior Year, SFY 2011-12
- Allocation Factor – 8.5% (added in Shands GR of \$3.8 million)
- IGTs – proportional reduction of the revised SFY 2011-12 IGTs
- Proportional Pool - \$2.4 million (rural, only)
- Exemptions:
 - Used Medicaid Cost Report patient days
 - Increased the percentages for each Exemption Tier to the following:

▪ Children	94.000 %
▪ Statutory Teaching	75.000 %
▪ Trauma	70.000 %
▪ > 15%	70.110 %
▪ Specialty	70.000 %
▪ Other	70.000 %
▪ CHEP	70.000 %
▪ 11-15%	70.000 %
▪ Public	70.000 %
- Cost Efficiency Add-on (applied to Exemptions):
 - Divided the hospitals into the Exemption Tiers
 - Calculated 2010 FHURS Cost/Adjusted Admission, excluding Capital Costs (CAA)
 - Divided CAA by the 2010 Case Mix Index (CMI) that correlates with the hospital financial fiscal year end, combines all locations operating under the same hospital license, & excludes healthy newborns
 - Calculated a Median CAA divided by CMI for each Tier mentioned above
 - The Median CAA divided by CMI for each Tier was divided by each hospital's CAA (divided by the hospital CMI) to determine the Efficiency Factor
 - Any hospital with an Efficiency Factor greater than 1.0 received a 4.0% add-on to the Exemption Calculation percentage, shown above
- Quality Add-on (applied to Exemptions):
 - Used the only nationally recognized source for quality - CMS Core Measures – as a relative measure of quality among the Florida Hospitals
 - Used a combination of the following four Core Measures:
 - Acute Myocardial Infarction (AMI),

- Pneumonia (PN),
- Heart Failure (HF), and
- Surgical Care Improvement Project (SCIP)
- Ranked the Exempt hospitals from top to bottom
- Hospitals whose ranking was above the median of all Exempt hospitals received a 4.0% add-on to the Exemption percentage

Model 17 - Mike Gingras

Model 17 was presented by Mr. Gingras:

- Special LIP – same as Prior Year(2011-2012)
- Allocation Factor – 8.5% on proportionally reduced revised 2011-2012 IGT's
- Proportional Pool - \$2.4 million (rural, only)
- Exemptions:
 - Used Medicaid Cost Report patient days
 - Revised the percentages for each Exemption Tier to the following:

▪ Children	89.900%
▪ Statutory Teaching	74.000%
▪ Trauma	69.000%
▪ > 15%	69.022%
▪ Specialty	69.000%
▪ Other	69.000%
▪ CHEP	69.000%
▪ 11-15%	69.000%
▪ Public	69.000%
- Buy-backs – Used Model 10 Table 4
- Cost Efficiency Silo – applied to Exemptions
- Divided the hospitals into the Exemption Tiers mentioned above
- Calculated 2010 FHURS Cost/Adjusted Admission, excluding Capital Costs (CAA)
 - Divided CAA by the 2010 Case Mix Index (CMI) that
 - Correlates with the hospital financial fiscal year end,
 - Combines all locations operating under the same hospital license, and
 - Excludes healthy newborns
- Calculated a Median CAA divided by CMI for each Tier mentioned above
- The Median CAA divided by CMI for each Tier was divided by each hospital's CAA (divided by the hospital CMI) to determine the Efficiency Factor
- Any hospital's whose Efficiency Factor was greater than 1.0, received a 10% add-on to the Exemption Calculation percentage, shown above

Model 18 – Dee Schaeffer

Model 18 was presented by Ms. Schaeffer:

- Allocation Factor – 8.5%
- Proportional Pool - \$2.4 million (rural ,only)

- Special LIP - \$98.4 million (Same as SFY2011-12)
- Non - Hospital LIP - \$80.3 million (No increase in new primary care initiatives)
- DSH remained the same as SFY 2011-12 (\$260 million)
- Total Exemptions equals \$712.6 million (includes Liver Global Fee, \$9.9 million):
 - Base Tiering Percentages

▪ Children's	92.50%
▪ Teaching	75.50%
▪ Public	80.42%
▪ Trauma	71.00%
▪ CHEP	70.00%
▪ Specialty	70.00%
▪ 11% or greater	70.00%
- Quality Add-on
 - \$19M using CMS Core Measures (All Payers)
 - Used "Grand Composite Scores" Model 16 to allocate funds to 30 exempt hospitals
 - Qualifying hospitals "Grand Composite Scores" were above the median of the group
 - Additional add-on was 6.5236%

Model 19-John Benz

Model 19 was presented by Mr. Benz:

- DSH using current policy and distribution
- Allocation factor - 8.5%
- Special LIP - \$98.4 million (plus new core measures distribution)
- Exemptions:
 - Children's- 90.00%
 - Trauma, GAA, Specialty- 61.4541%
 - Statutory Teaching- 72.00%
 - CHEP- 61.4541%
 - over 15%- 61.4541%
 - 11% to 14.9%- 61.4541%
 - Publics- 90.00%
- Increase to additional LIP distributions of \$5,967,214 to establish new LIP
STC/Enhanced Primary Care \$50 million

Updates

The Agency provided a brief update on the 1115 Waiver renewal, stating that the Agency had been instructed to request an additional two week extension, through December 15, 2011.

The Agency provided a thorough review of the most recent version of Special Terms and Conditions (STCs) for the 1115 waiver extension, complete with a review of the Agency's comments. Specific issues highlighted were:

- A new Tier One milestone requirement that \$50 million in new funding be allocated to establish new, or significantly enhance, innovative programs that meaningfully enhance the quality of care of low income population.
- A new Tier Two milestone that the top 20 hospitals that receive LIP funds initiate or enhance 3 projects each targeting infrastructure development, innovation and redesign, and population focused improvement.
- Demonstration year reconciliation requirements and time frames.

There was an extensive discussion on the effects these changes will have on the health care providers and their LIP funding.

Following the Waiver update, there was a discussion regarding the models. Dr. Ron Wiewora withdrew his model, Model 8. The Council agreed that the remaining five models should be returned to the Council at the December 13th meeting with the following changes:

- "Below the line" should not include an additional \$50 million to cover proposed STC Milestone One. The Council indicated that the current \$80.3 million "below the line" in addition to the programs the hospitals are currently operating, minus the LIP credit, more than covers the \$50 million requirement for Milestone One.
- The five remaining models should include a \$25 million "Quality Add-on"

Closing Comments

In closing, Mr. Williams gave a brief overview of current deadlines, future meeting date and presentations. No further comments or questions were presented at that time.

Adjournment

The meeting was adjourned at 1:00 p.m.