



Summary
Low Income Pool (LIP) Council
Wednesday, January 19, 2011
10:00 a.m. - 4:00 p.m.

Members Present

Phil Williams, LIP Chairman
William Robinson
Steve Mason
Hugh Greene
Dee Schaeffer
Dr. Joseph J. Tepas, III
Steve Harr
Dwight Chenette
Mark Knight
John Benz
Clark Scott
Gwendolyn MacKenzie
Steve Short
Michael Gingras
Dr. Mark Mckenney
Mike Hutchins

Members Absent

Charles Colvert

Welcome

The Low Income Pool (LIP) Council meeting was conducted at the Agency for Health Care Administration (Agency) in Tallahassee, Florida. Mr. Phil Williams, LIP Chairman and Assistant Deputy Secretary for Medicaid Finance, opened the meeting at 10:00 a.m. The meeting began with a welcome and roll call of attending members on the call. Minutes from the December 15, 2011, LIP Council meeting were approved with no amendments.

Model 5A-Kevin Kearns

Mr. Kevin Kearns began the model discussions with an explanation of Model 5A to the Council. He started with listing the modification made to his original Model 5. Model 5A's allocation is the same as Model 5; 15 percent. All LIP and, Statewide Issues IGTs receive an allocation factor and exemption and buyback IGT that fund providers outside the county and taxing district receive 15 % allocation factor, and zero percent allocation factor if the IGT is used within the same county.

AHCA Staff and Presenters

Lecia Behenna
Michele Morgan
Ryan Perry
Phil Street
Janet Perkins
Debi Gavras
Duane Ashe

Members Attended by Phone

Bill Little
Dave Ross
Mike Marks
Charlotte Mather
Lewis Seifert
Kevin Kearns
Stephen Purves

Model 9A – Bill Robinson

Mr. Bill Robinson began with an explanation of his Model 9A to the Council. To accompany his model, Mr. Robinson also provided a two page summary for a more detailed look at his model. This summary also showed changes from his previous model to the primary care initiative, which was brought down to 8.6 percent.

Model 10A – Mike Marks

Mr. Mike Marks presented his Model 10A to the Council. His intent was to get as much federal money into the state as possible. Mr. Marks' model is set up so large funders are required to self fund exemptions and buybacks. However, there was an across the board 20 percent reduction made to total exemptions.

Model 11A – Gwendolyn MacKenzie

Model 11A was presented to the Council by Ms. Gwendolyn MacKenzie. She explained that Model 11A was very similar to Model 11. Special LIP was cut 10 percent; but no provider was reduced more than a million dollars.

Model 12A – Dr. Joseph J. Tepas, III

Model 12A was presented to the Council by Dr. Joseph J. Tepas, III. Dr. Tepas mentioned the importance of pulling down federal funds and optimizing the use of exemptions and buybacks. He also mentioned that all providers at 15 percent Medicaid and charity will receive 70 percent of exemptions. Whereas, all providers between 11 percent and 14.9 percent will receive 30 percent.

Model 13A - John Benz

Mr. John Benz presented Model 13A to the Council. He mentioned that this model was very similar to his previous model. Mr. Benz reduced the allocation factor from 15 percent down to 8 percent. The buybacks and exemptions outside this model are not included.

New Model (14)-Mr. Bill Robinson, Ms. Gwendolyn MacKenzie, and Dr. Joseph J. Tepas III

Following the model presentations, Presenters Mr. Bill Robinson, Ms. Gwendolyn MacKenzie, and Dr. Joseph J. Tepas III, had a discussion to combine their three Models, 9A, 11A, and 12A to be presented at the January 24, 2011, LIP Council meeting:

The parameters for the new combined model, Model 14 are:

- SFY 2010-11 6 month model as a base
- Special LIP funded at \$96 million. Reductions to be taken by proportionally cutting each category; with a maximum of \$1 million by provider
- Buybacks
 - PSN Hospitals at \$61,701,484 (full for non traumas and partial for traumas)

- Children's at \$23,428,200 (full)
 - Rural at \$9,902,219 (full)
 - Trauma/ Teaching -30%
- Non Hospital Issues \$52,321,365 (as found in model 9A)
- Allocation factor 10%
- Exemptions
 - 90% - Children's hospitals
 - 75% - Statutory Teaching and Public Hospitals
 - 70% - Trauma, specialty, and designated GAA hospitals
 - 60% - Above 15 %
 - 55% - CHEP
 - 40% - 14.9% to 11%
- Rerun the model with the 75% exemptions moved to the 70% category

New Model (13B)-John Benz

Mr. Benz also requested to make revisions to his Model 13A and present at the next LIP council meeting.

Summary of Mr. Benz's request:

- Special LIP total \$96M - pro rata reduction from Model 13 allocations
- LIP 4 return at 11 percent
- Keep Buybacks full thru cut 5 as in 13A
- Below the line at \$52.3M gross
- Exemptions:
 - Children's Hospitals 90 percent
 - Categories (public, teaching, specialty, proviso, CHEP, trauma) at 70 percent
 - Over 15 percent Medicaid/charity at 50 percent
 - 11 to 15 percent at X percent to balance

A question arose from the Council concerning Low Income Pool cost limits. Ms. Michele Morgan discussed with the Council the Low Income Pool cost limits, as well as the upper payment limits as they apply to each provider. Ms. Morgan reminded the Council that the Agency had to renegotiate the LIP cost limit with CMS as part of the Special Term and Condition #105. The new LIP Cost limit is more detailed than the cost limit that was in place for the first three years of the waiver. The updated cost limit has new definitions that apply as well as going from a hospital wide cost to charge ratio to a departmental cost to charge ratio. The updated methodology can be found on the LIP web site. Ms. Morgan let the Council know one difference between the LIP and UPL limit is the fact that uninsured and underinsured cost are included with the LIP cost limit and the UPL limit is restricted to Medicaid cost.

1115 Wavier Extension Request

Mr. Phil Williams updated the Council on the progress of the 1115 Waiver Extension request. Mr. Williams stated the Agency is having an on-going dialog with CMS and providing data and answering questions as requested.

IGT Workgroup Final Report

Ms. Michele Morgan provided an update to the Council on the IGT Work Group. The work group report was delivered on January 6th to the Governor, Speaker, and President. The report has also been posted on the workgroup website.

Facility Exemption Detail

Ms. Lecia Behenna provided updated exemption cost to the Council. Ms. Behenna stated that the updated costs include current qualification criteria and January 2011 inpatient and outpatient reimbursement. The updated exemption cost came to \$916 million dollars, \$200 million dollar increase from January 2010.

Facility Cost Limit Detail

Ms. Lecia Behenna provided an update to the Council on LIP cost limits. A copy of SFY 2008-09 hospital cost limits were provided to the Council for review. Ms. Behenna cautioned the Council that the cost limit calculations for SFY 2006-07, 2007-08, and 2008-09 were made using historical data. SFY 2009-10 and 10-11 cost limits will be calculated using cost reports from the time period the payments were received. Ms. Behenna further explained that the cost limit calculation methodology has been updated and is available to all providers on the LIP website.

Closing Comments

Mr. Phil Williams followed with closing comments to the Council. He noted the next LIP Council meeting is scheduled for January 24, 2011, following with the final meeting, to be held on January 27, 2011. This meeting is to be held at the Agency for Health Care Administration (Agency) in Tallahassee, Florida.

Adjournment

The January 19, 2011, LIP Council meeting was adjourned at 2:30 p.m.