Draft Summary
Low Income Pool (LIP) Council
Tuesday, November 8, 2011
10:00 a.m. - 4:00 p.m.

Members Present
Phil Williams, LIP Chairman
Dee Schaeffer
Patrick Schlenker
William Robinson
John Benz

AHCA Staff and Presenters
Tom Wallace
Lecia Behenna
Bill Perry
Ryan Perry
Nicole Maldonado

Members Attending by Phone
Steve Mason
Mike Marks
Fredrick Ashworth
Lewis Seifert
Ray Reed
Steve Harr
Mark Knight
Steve Short
Michael Gingras
Dave Ross
Mike Hutchins
Kevin Kearns

Members Absent
Dr. Karen Chapman
Dr. Edwin Pigman
Gary Uber
Dr. Mark McKenney
Dr. Ron Wiewora
Charlotte Mather
Hugh Greene

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. October 26th Minutes were approved with no objection.

Model Presentations

Model 9 - William Robinson

Conceptual Model 9 was presented by Mr. William Robinson. Model 9 resembles Mr. Robinson's previous Model 2 first version with a few changes. Mr. Robinson intends to move the $25 million in funds unallocated in the first version into the Exemptions category. Also, Mr. Robinson is working on incorporating more variables such as core measures, mortality rate, readmission rate, infection rates among other variables that are currently being captured to try to create a little more global aspect of quality of care by hospitals.

Model 12 - Mike Gingras

Model 12 was presented by Mr. Mike Gingras:

- Special LIP – same as Prior Year(SFY 2011-12)
- Allocation Factor – 8.5%
- Proportional Pool - $2.4M (rural, only)
- Exemptions:
    - Used Medicaid Cost Report patient days
    - Increased the percentages for each Exemption Tier to the following:
        - Children 90.000%
        - Statutory Teaching 75.135%
        - Trauma 70.135%
        - > 15% 70.135%
        - Specialty 70.135%
        - Other 70.135%
        - CHEP 70.135%
        - 11-15% 70.135%
        - Public 70.135%
- 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 hospitals with an Efficiency Factor was greater than 1.0 received a 10% add-on to the Exemption Calculation percentage, shown above

Model 14-John Benz

Model 14 was presented by Mr. John Benz:

- DSH using current policy and distribution
- Allocation factor - 8.5%
- Special LIP - $98.4 million (plus new core measures distribution)
- Exemptions:
    - Children's- 97.5000%
    - Trauma, GAA, Specialty- 63.0379%
    - Statutory Teaching- 63.0379%
    - CHEP- 63.0379%
    - over 15%- 63.0379%

- 11% to 14.9%- 63.0379%
- Publics- 97.5000%

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.

The Agency provided a thorough review of the most recent version of Special Terms and Conditions (STCs) for the 1115 waiver extension. 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 initiatives 3 projects each targeting infrastructure development, innovation ad 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.

Closing Comments

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

Adjournment

The meeting was adjourned at 12:57 p.m.