



Draft Summary
Low Income Pool (LIP) Council
Tuesday, December 20, 2012
10:00 a.m. - 4:00 p.m.

Members Present

Phil Williams, LIP Chairman
Hugh Greene
William Robinson
Dee Schaeffer
Steve Short

Members Attending by Phone

Kevin Kearns
Dave Ross
Charlotte Mather
Patrick Schlenker
Mike Marks
Dr. Mark McKenney
Mike Hutchins
Dr. Karen Chapman
Dr. Ron Wiewora
Steve Harr
Steve Mason

Members Absent

Dr. Edwin Pigman
Michael Gingras
Gary Uber
Mark Knight
Fred Ashworth
Lewis Seifert
Ray Reed
John Benz

AHCA Staff and Presenters

Tom Wallace
Lecia Behenna
Bill Perry
Ryan Perry
Nicole Maldonado
Kelvin Faison

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 Council Chairman and Assistant Deputy Secretary for Medicaid Finance, opened the meeting with a welcome and a brief roll call.

Approval of Minutes

The December 4, 2012 minutes were moved for approval and seconded with no objections.

Updates

The Agency provided an update on the 1115 Waiver. Mr. Williams stated that the Agency is in ongoing conversations regarding the most recent extension of the 1115 Waiver.

Ms. Behenna discussed where the Agency was with the LIP IGT need. Currently, the LIP program is approximately \$22 million short on IGTs, creating a total reduction of \$53 million. The Agency is currently contacting counties and taxing districts in an effort to close the gap.

The Agency provided updated Cost of Exemptions using Cost Report days and October 31, 2012 rates. The new cost of Exemptions is \$888.1 million using the available Audited DSH data from 04, 05, and 06 as well as historical qualification criteria.

Models for SFY 2013-14

The Agency presented the second base model with updates, Updated Base Model 2:

- LIP 4 Allocation Factor – 8.5%
- Allocation Distribution - \$749,104,347
- Special LIP - \$113,579,964
- Used current DSH distribution methodology with federal reduction.
- Total DSH cost - \$241,084,640
- Total Buyback cost – \$130,546,454
- Total Exemption cost - \$626,770,524
- Undetermined - \$22,232,101
- Total Distributed - \$978,017,899

A motion was made, seconded, and the Council voted to adopt Base Model 2 as the base model for subsequent model comparison purposes

Discussion of Model Elements

The topic of new model elements was presented by Lecia Behenna. The model elements included:

- Built on the Base Model 2
- Use the undetermined IGT
- List Shiners and Nemours as Children's facilities
- Include Larkin in the GME DSH category (not family practice)
- Add New Trauma Centers (Bay and Ocala)
- Distribute the \$22.2 million

A deadline to request models was announced for January 2, 2013, close of business.

DRG Update

The Agency introduced the topic of DRGs and Malcolm Ferguson, a representative of the consulting group Navigant, discussed and answered questions about DRGs and the inpatient hospital DRG conversion process using a Governance Committee model.

- This committee has been formed and held its fifth meeting on December 12, 2012. The decisions that have been made are outlined below:
 - Using updated pay-to-cost figures based on Medicaid cost reports that overlap the dates in SFY 2010-11;
 - Agreed that it is appropriate to remove the provider policy adjustor for free-standing rehab and add a service line policy adjustor for rehab services;
 - Agreed to remove the service line policy adjustor for Obstetrics as long as simulations show the pay-to-cost for obstetrics is above the state-wide average;

- Agreed to use the charge cap logic as opposed to the provider gain outlier logic and reduce payment on everything, including IGT payments when applied;
- Agreed to apply only the maximum adjustor as opposed to applying all adjustors.
- Agreed to not have a wage area adjustment applied; and
- Agreed to apply 6% documentation and coding adjustment along with an adjustment for real casemix increase between SFY 2010-11 and SFY 2013-14.

Upcoming Events

The Agency reminded the Council about the next LIP Council meeting scheduled on January 9, 2013, which would be preceded by a public stakeholders meeting on DRGs to take place on January 8, 2013.

Adjournment

The meeting was adjourned at 11:30 a.m.