	A	B	C	D
1	**HOSPITAL PAYMENT MODELING QUESTIONS AND RESPONSES**			
2	**Date Submitted**	**Model**	**Question**	**HHSC Response**
3	4/23/2019	UC/UPL	It would be helpful to provide an explanation of the lower portion of the "UPL debt allocated by DY" tab on the UC Withheld and UPL Obligation excel file.	See Lines 4 - 6 below.
4	4/23/2019	UC/UPL	a. If this section is in reference to UC withheld funds, should DY 6 be included? If it is not in reference to the UC withheld funds, can you provide an annual breakout of available withheld funds to be paid?	The section is in reference to calculation of the UPL obligation balance which must be paid from DY1-5. Thus, DY6 is not necessary in that part of the tab.
5	4/23/2019	UC/UPL	b. How is the "available funds to distribute" column derived?	These amounts are based upon the remaining pool room from each program year that has not yet been expended. In the case of DY4, there is more funding remaining than the 5% withheld amount due to recoupments that have not been redistributed.
6	4/23/2019	UC/UPL	c. On the upper portion of this tab, the final UPL obligation allocation totals $373 million in this tab, but the word document overview references $363 million.	The $363 million was an error on the part of HHSC. It has been corrected in the updated document posted to the website.
7	4/23/2019	UC/UPL	What is the reason for the slight variation in UPL recoupments by class by option on the "Final UPL obligation" tab?	The Total Option UPL Recoupments vary class to class by option because each option provides different UC withheld payment amounts.
8	4/23/2019	UC/UPL	On the UC withheld decision tree, you may want to provide some context for the assumptions that are listed but don't vary between options: paying state hospitals the remainder of their HSL up to their final HSL, including the standard Rider 38 set aside, and revised IGT commitments – what do each of these mean?	When determining options for the UC withheld payments, HHSC attempted to hew as closely to core UC policies as possible. Additionally, HHSC looked to policies that it previously considered during the discussions of the DSH withheld payments. Those policies are familiar to stakeholders and can be considered when stakeholders provide feedback. However, HHSC does mean need to limit stakeholders' discussions to the three UC withheld payment options provided. The options provided represent the best first set of options HHSC could determine at this time. Please remember that HHSC will make the final decisions regarding the UC withheld payments.
9	4/23/2019	UC/UPL	What is the rationale for distributing the UPL obligation allocation across DYs 1-5 rather than just DY 1 when the UPL/UC overpayment occurred?	The UPL obligation is not due to an overpayment of UC funds, but was due to the timing of UPL payments being in federal fiscal year 2012 and after. The payments made were attributable to services provided prior to the beginning of the waiver. At the time, CMS required HHSC to agree that we would reduce the amount of the DY1-5 pools by a commensurate amount. HHSC's practice was to use funds recouped from providers either due to the final payment calculation or the UC reconciliation to offset the obligation. With the outcome of the TCH and CHAT litigation, the amount and number of recoupments has decreased substantially, limiting our ability to discharge the obligation through that strategy. HHSC never intended to limit the discharge of the obligation to a single program year, as evidenced by our previous approach to discharging the obligation.

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10	4/23/2019	UC/UPL	It would be helpful to explain the recoupments that occurred in DYs 1 and 2 to pay down the UPL obligation.	The recoupments in DYs 1 and 2 were the result of the final UC costs calculated during the required reconciliations. Each UC payment is initially calculated using two year old data. The first instance where a recoupment may occur is when HHSC calculates the final UC payment rather than the advance payment. There are some instances where providers have received advanced payments at a level that exceeds their calculated total payments. Secondly, when the UC reconciliation is performed using the actual data from the program year, a provider will be recouped if their payments exceed their HSL. There are also providers who chose to return UC payments in lieu of being recouped in DSH, as both payments are considered against the same costs in the reconciliation. Instead of redistributing those funds, HHSC chose to pay down the UPL obligation.
11	4/24/2019	UC/UPL	On the "Final UPL obligation" tab, why do the UC withheld payments and UPL obligation reductions not net out to the recoupments column? a. Is it because the payments column includes DYs 3-6 and the UPL debt obligation includes DYs 1-5?	No, while Additional UC Payments column for each option includes DYs 3-6, and the UPL Recoupments column for each option does include DYs 3-5, the numbers do not net out in the Remaining UPL Recoupment column for a different reason. The information on this tab is presented at a summary level by class, it is not presumed that a provider in a class will cover an obligation owed by another provider within the same class. The Remaining UPL Recoupments column illustrates an aggregated total funds owed by various hospitals in that class that cannot be offset with withheld funds.
12	4/24/2019	UC/UPL	There are several references to the below steps. Please provide an explanation. "Less the amount of DSH payment that exceeds Medicaid shortfall", How is Medicaid shortfall defined in "a" above?	Medicaid shortfall is defined in the context of the particular calculation. The Medicaid shortfall used will depend on the HSL calculation used: pre-CHAT, post-CHAT, or SB7.
13	4/24/2019	UC/UPL	b. "Plus the DSH only uninsured cost," How is DSH only uninsured cost defined?	DSH-only uninsured cost is the portion of the uninsured cost calculated for DSH that does not include uninsured charity costs that can also be claimed in UC. This is calculated to ensure that providers are not paid for the same uninsured charity costs in both DSH and UC. Before any DSH payments are offset in UC, they are attributed entirely to the Medicaid shortfall and the DSH-only uninsured costs to maximize a provider's reimbursement in both programs.
14	4/24/2019	DY9	Slide 7 of the April 2019 PowerPoint references the UHRIP payments being estimated prior to the HSL being adjusted in the modified calculation order. a. How is the UHRIP 95% cap calculated when estimating UHRIP payments? Is this tied to the DSH HSL or is it an independent calculation? In other words, if the HSL calculation were to change, would the UHRIP payments estimated as the first step reflect the change in HSL?	The 95% cap is calculated using the current interim Medicaid shortfall (a component of the HSL) that does not offset other insurance or Medicare payments. The Medicaid shortfall is total Medicaid costs less Medicaid payments. HHSC currently uses the same shortfall/HSL calculation method for both DSH and UC, so yes, it would.
15	4/24/2019	DY9	b. What is the "inflated DSH allotment" referenced in the second bullet under the modified calculation order?	To provide an apples to apples comparison, HHSC inflated the DSH payments and allotment by 1.9%, the pertinent CPI-U.
16	4/24/2019	DY9	Slide 10 of the April 2019 PowerPoint includes a description of the "Subsequent Year UHRIP Adjustment." Please explain. Does HHSC intend to make this adjustment to UHRIP annually, is it assumed the SDAs will do this, or is it just provided in the appendix as a reference?	The "Subsequent Year UHRIP Adjustment" is meant to serve as a reference only.

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17	4/24/2019	DY9	1. You may also want to include a comment/context on the selected pool sizes. Has CMS indicated a preference for a $2.7 b pool? What are the assumptions for each size (other than $3.1 b) included?	The $2.7 billion and $3.1 billion pools are the sizes previously used. HHSC wanted to ensure that stakeholders were able to compare the changes to previous versions of the model. HHSC included a pool size of $3.8 billion so that stakeholders could see the effects of a distribution at that level. Given HHSC's current understanding of CMS policy, and the data gathered earlier in the spring, that pool size is HHSC's best estimate of the DYs 9-11 pool size. However, HHSC is still discussing the issue of pool size with CMS. No one should assume that any one of the pool sizes provided in the model will be the final size. HHSC will inform stakeholders when the final pool size is determined.
18	4/24/2019	DY9	As you may know, HHSC conducted a technical workgroup and an association workgroup related to the upcoming changes financial changes in SFY2020 to the hospital community. To this point, do you know if HHSC will be coordinating a similar effort to allow a productive dialog to occur before the comments are due?	The comment period is just for the UC withheld and UPL obligation and were not planning on a meeting about those. We are going to try to have a UC workgroup meeting on the DY9 models but are not sure when because of legislative constraints. HHSC will attempt to organize more opportunities for technical assistance.
19	4/26/2019		United Regional meets the definition of rural in 355.8201, but it looks like they're classified as Private with no Rider 38 status in the UC refresh excel file. Should they be under the Rider 38 methodology?	Deloitte has been asked to update this in their modeling.
20	4/27/2019		I have a question regarding the "TX UC DSH UHRIP Payment Model Refresh" excel spreadsheet sent out for the May 3 meeting. Specifically, in the "UC Payment Modeling", columns "AB" and "AC" which are "Previous Model Values".	See Lines 21-22 below.
21	4/27/2019		a. What are the previous models, and what assumptions do they use?	The previous models are Deloitte models from October 2018 and are posted on this site.
22	4/27/2019	UC/UPL	b. Does HHSC have SB-7 UC modeling impact it can share?	Comparison of DY 9 UC modeling does have comparison to other HSLs and there is a separate model online that shows the effect of SB 7 methodology on the same page where this document is located.
23	4/28/2019	UC/UPL	Does the UPL Obligation relate to the amount HHSC should have reduced the original pool size related to DY1 – DY5 and not the actual amounts funded to hospitals during this time period? If so, why wouldn't the "Total Debt" be reduced by $134 million as this is the difference in DY1 and DY2 between the "Revised Pool Size" and the amount actually paid to Texas Hospitals? If not, please provide the methodology HHSC used to set the pool sizes in DY1 – DY5 to understand why HHSC is proposing the $480 million be allocated proportionally across DY1 – DY5 and not reduced from the highest pool sizes first.	HHSC is not aware of a methodology used to determine the UC pool sizes for DYs 1-5. HHSC chose not to propose to reduce the highest UC pool sizes because the participants and payments vary year to year. HHSC proportionally allocated the UPL debt to each demonstration year based on the percent that each UC pool amount was of the total UC pool amounts for demonstration years (DY) 1-5. Providers were then allocated their share of the debt for each DY based on the percent that their payment (plus their potential UC withheld payment in Options 1-3) was of the total payments for each DY.

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24	4/28/2019	DY9	Regarding the "UC DSH UHRIP Impact Assessment 04.23.19" presentation. My question has to do with how UHRIP payments affect the calculation of HSL. On pg. 7, the Modified calculation order states that UHRIP payments are estimated and then HSL is adjusted for UHRIP. On page 9, regarding Non-Rider 38 Hospitals, the presentation states (last bullet point) that "The 2017 Model, provided by HHSC, then adjusted to pay UHRIP first.."	UHRIP payments increase the Managed Care Payments, which in turn reduce the Medicaid shortfall, which in turn reduces a hospital's HSL.
25	4/28/2019	DY9	Can you provide some clarification of how UHRIP payments are taken into account in calculating HSL. Are UHRIP payments in totality used to reduce a hospital's Medicaid Shortfall? Are mandatory payments made by hospitals which are then used for IGT used to reduce how UHRIP payments reduce a hospital's Medicaid Shortfall?	See above on Line 24 for answers. HHSC is not taking into account source of IGT for any UC or UHRIP payment.
26	4/28/2019	UC/UPL	Regarding the excel spreadsheet "TX UC DSH UHRIP Payment Model Data" - I have questions about where HHSC got the following numbers: • Tab "UC Payment Modeling" o Column G "DSH 2017 Payment" The number for DHR (TPI 16070950; Row 155) does not match up to HHSC's website data • Column G = $19,551,910 • HHSC Website = $18,759,308.16 - https://rad.hhs.texas.gov/sites/rad/files/documents/hospital-svcs/2017/2017-dsh-pmnt.pdf	The payment cited in "UC Payment Modeling" is a payment calculated based on an SB7 HSL approach.
27	4/28/2019	UC/UPL	• Tab "UC Payment Modeling" Column H "UC DY 6 Payment" The number for DHR (TPI 16070950; Row 155) does not match up to HHSC's website data •Column H = $18,057,795.54 •HHSC Website = $16,159,082.16 - https://rad.hhs.texas.gov/sites/rad/files/documents/hospital-svcs/uc-dy6-exp.pdf	The payment cited in "UC Payment Modeling" is a payment calculated based on an SB7 HSL approach.
28	4/29/2019	UC/UPL	Is there a file that details the UPL received, by hospital or physician group, in the overlap period? Do you all have this in a sharable format?	HHSC has uploaded a file showing these payments to this web page.
29	4/29/2019	DY9	Does the RAD 1115 Waiver modeling changes impact the Texas Ambulance Supplemental Payment Program reimbursement for municipalities? From what I have read, it applies only to hospitals (UHRIP, UC and DSH).	Modeling for the governmental ambulance providers in DY9 UC has not changed.
30	4/29/2019	UC/UPL	DY7 UC totals are shown as significantly below DY6 even though neither the UC pool size nor the DSH allocation went down. Do you know why this is? Was there an issue with IGT?	This discrepancy is due to non-hospital providers being excluded from the DY 7 totals.
31	4/29/2019	UC/UPL	Why is the UPL obligation methodology based on UC payments rather than UPL payments?	The UPL obligation is related to UC. According to CMS, the December 2011 UPL payment occurred during the first demonstration year of the 1115 Waiver and, as such, resulted in an overpayment in UC pool funding for that demonstration year.

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32	4/29/2019	DY9	Please explain the advance vs final allocation methodologies.	The “Advance Method” means that the interim HSL is reduced by payments already received and then the UC withheld payments are allocated based on the remaining interim HSLs. The “Final Method” means that the total recalculated payment is reduced by payments already received and if a hospital was “overpaid”, then that hospital would not receive any of the withheld UC (and could result in recoupment). In both the Advance and Final Methods, payments are capped at the HSL.
33	4/29/2019	UC/UPL	Original vs revised IGT: Which options does it apply to?	For all options presented, HHSC used the "revised" IGT. During the decision-making process for DSH withheld payments, "original" vs "revised" IGT amounts were one factor discussed as a decision point. HHSC considered it for a decision point for the UC withheld discussion as well. However, all three of the options presented use the "revised" IGT. "Original" is defined as IGT commitment at time of the program year. "Revised" represents an assumed new IGT commitment.
34	4/29/2019	UC/UPL	I have a couple of quick questions on the repayment of the old UPL monies. Does it relate to the December 2011 UPL payment? Also, does the figure in question include payments under the old Children’s Hospital UPL program?	The UPL obligation figures relate to the December 2011 UPL payment. They do not include payments under the Children's Hospital UPL program.
35	4/30/2019	DY9	How is UHRIP factored into calculation for DY 9 modeling?	See answers above on Line 24.
36	4/30/2019	DY9	How is the DSH payment offset against HSL?	The entire DSH payment is not offset against the HSL in DY 9 UC, though a portion of DSH payment may be potentially be offset against the total charity cost. for an individual hospital. DY 9 UC payments will be based on charity cost only. This offset will only occur if the provider's Medicaid shortfall and DSH-only uninsured costs are not sufficient from which to attribute to the entire DSH payment.
37	4/30/2019	DY9	Is the reduction in DSH allotment factored into DY 9 modeling?	No. While current law calls for a reduction in the DSH allotment, there is no final determination as to the amount. In addition, there is a chance that as in previous years that the reduction will be delayed.
38	4/30/2019	DY9	Can providers get calculations that fed into pool size estimate of $3.8B?	HHSC will upload a file showing these payments to the same web page where this document is located.
39	4/30/2019	DY9	What is the 75% increase described in UHRIP calculations?	The UHRIP pool increased 75% from 2018 to 2020.
40	4/30/2019	DY9	When calculating 2020 DSH payment, which HSL was used?	HSL's calculated in the 2017 DSH/UC applications were adjusted to account for the 2020 increase to the UHRIP payments and used in the DY 9 modeling.

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41	4/30/2019	DY9	Regarding Slide 17, has Deloitte analyzed the post CHAT HSL approach?	HHSC and Deloitte are looking into that request.
42	4/30/2019	DY9	Was actual claim data used to determine the UHRIP allocation? If not, how was it determined?	2019 UHRIP Rate increases were multiplied by 2017 managed care payments for each providers. These increases were then proportionally trended to account for the UHRIP pool increasing from $1.2 billion in 2019 to $1.6 billion in 2020.
43	4/30/2019	SB7	For the Post CHAT and SB 7 HSL approaches, how did HHSC get to DSH payment amount in the model for each HSL? Will the calculations to get to DSH Payments be released?	HHSC believes this question will be addressed in a forthcoming webinar.
44	4/30/2019	UC/UPL	Questions related to the UPL Withhold:	See Line 45 below.
45	5/1/2019	UC/UPL	Does the $470 million reflect the Federal share and Non-Federal share or only the Federal share?	The $480 million UPL obligation represents both the federal and non-federal share.
46	5/1/2019	UC/UPL	Why is CMS seeking $470 million even though Texas Hospitals didn't draw down the entire pool allocated to Texas Hospitals (less CHAT withhold)?	HHSC was alerted to an issue with the calculations for DY4 UC as presented in the model. As a result of the 2016 UC disallowance for DY4, which was subsequently upheld by the Departmental Appeals Board in August 2018, HHSC had to recoup about $43 million from certain hospitals. HHSC was then able to make a UC payment to reimburse those hospitals for the recoupment. The data used for the UC/UPL model did not fully take these transactions into account, though they were accounted for in each of the 3 UC withheld payment models. HHSC has updated the UC/UPL model to reflect this update.
47	5/1/2019	UC/UPL	What is the factor to recoup funds from DY4 & DY5 even though the pool size was significantly less than DY1 or DY2?	Due to the variations in participants and payment amounts this approach was the most equitable way for HHSC to distribute obligation with the information available at the time.
48	5/1/2019	UC/UPL	Can HHSC please propose the cap by hospital post recoupment to understand what each hospital actually received in DY1 – DY5 as a portion of the revised cap?	HHSC does not have the resources to run further analyses at this time. However, if there is information that stakeholders require to conduct their own analyses, HHSC is happy to provide it on our website.
49	5/1/2019	UC/UPL	Questions regarding CHAT UC Withhold:	See Lines 50-52 below.
50	5/1/2019	UC/UPL	(a) It appears HHSC is allocating the payment portion based on the actual amount received. Can you please run an analysis to understand the portion based on their cap and not based on what they actually received?	HHSC does not have the resources to run further analyses at this time. However, if there is information that stakeholders require to conduct their own analyses, HHSC is happy to provide it on our website.

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2	**Date Submitted**	**Model**	**Question**	**HHSC Response**
51	5/1/2019	UC/UPL	(b) Can HHSC run the analysis based on HSL using SB7?	HHSC does not have the resources to run further analyses at this time. However, if there is information that stakeholders require to conduct their own analyses, HHSC is happy to provide it on our website.
52	5/1/2019	UC/UPL	(c) Can HHSC run the analysis to understand if private hospitals funded the DSH withhold through a governmental entity rather then the public hospitals providing the non-federal share and receiving a "UC Credit"?	HHSC does not have the resources to run further analyses at this time. However, if there is information that stakeholders require to conduct their own analyses, HHSC is happy to provide it on our website.
53	5/1/2019	UC/UPL	If a hospital has an overall negative amount under an option (payment of all withheld UC funds minus UPL repayment is negative), would HHSC contemplate offsetting the funds owed against other payments the hospital would receive (e.g. UC S-10) versus seeking a recoupment in the form of an actual funds transfer back to HHSC?	Unfortunately, our understanding is that CMS will require that the UPL obligation be offset against the UC pool from demonstration years 1-5 only. Thus, HHSC does not believe an offset could be made against future UC payments.
54	5/1/2019	UC/UPL	I wanted to follow up with you regarding some concerns on the models and questions:	See Lines 55-58 below.
55	5/1/2019	UC/UPL	(a) Option 1 – In my opinion, the ambulance and dental should not be included in the redistribution of additional payments since this was a hospital hold back amount, although it does not result in remaining UPL funds;	Thank you for your feedback.
56	5/1/2019	UC/UPL	(b) Option 2 – Appears to be the most appropriate model, but the allocation to the Ambulance and dental should be removed and allocated only to hospitals to avoid the majority of the balance in Remaining UPL Recoupment;	Thank you for your feedback.
57	5/1/2019	UC/UPL	(c) Option 3 – Appears to be a waste of time due to the fact that the majority of the outstanding UPL recoupment would remain un-recouped. Is the Advanced methodology still on the table for the payments?	Thank you for your feedback.
58	5/1/2019	UC/UPL	(d) Option 4 – Just wanted to check if an additional method would be possible. Basically, take the full UPL recoupment out of the additional payments (off-the-top). The off-the-top amount could be allocated to each of the years with available funds to distribute. This could be done in either of 2 methods proportional between the 3 years to the available funds or against each amount until the full amount has been offset. The second method could be questioned due to the only year with an allocation would be DY5. Option 4 would not leave a remaining to be recouped later.	HHSC does not have the resources to run further analyses at this time. However, if there is information that stakeholders require to conduct their own analyses, HHSC is happy to provide it on our website.
59	5/1/2019	UC/UPL	• The YTD recoupment appears to have the DY 1 "Final UPL Obligation Allocation" subtracted out as an additional YTD recoupments total, Can you explain the formula? • Is the YTD Recoupments based on the current requested recoupments or actual collections? Has an estimate been included for the hospitals appealing the penalty language?	Regarding the recoupments/allocation methodology, the debt was allocated to each demonstration year based on the proportion that the pool for each demonstration year (from DY 1-5) was of the total UC dollars for DY 1-5. We then reduced each of these allocations by recoupments (or voluntary UC repayments in lieu of repaying DSH, etc.) attributable to that demonstration year. These were recoupments that have actually been collected, we did not try to account for what might be collected going forward.

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60	5/2/2019	UC/UPL	For hospitals that did not receive a UPL payment in Nov-Dec 2011, but are subject to recoupment in any of the three options, who will receive the associated IGT with those recoupment amounts? Will the hospital receive that IGT share back since there is no Government Entity that IGT'd for them in UPL payments?	If recoupments are necessary, HHSC will recoup the UC payment, not the UPL payment. If a private hospital must refund a UC payment, the federal share will be returned to CMS and the non-federal share will be returned to the governmental entity that provided it in the first place. If a public entity must refund a UC payment, HHSC will only recoup the federal share.
61	5/6/2019	UC/UPL	A few clients have asked us to model alternative options for the withheld UC funds and UPL debt allocation. Your summary of the outcomes is very helpful… but we are wondering if you can share the underlying models for Options 1, 2, and 3? If not, can we set up a call for later today after HPAC to discuss some of your assumptions?	HHSC does not have the resources to run further analyses at this time. However, if there is information that stakeholders require to conduct their own analyses, HHSC is happy to provide it on our website.
62	5/7/2019	UC/UPL	In the netting of the debt recoupments, it would be helpful to see an example of how this will work for a DY year. For example, if a provider had three different IGT entities in DY3, will the return of the IGT due to the recoupment, be prorated among all three IGT entities or does the provider have any input? We have this situation and currently two of those affiliation agreements haven't been used for 4 years and in fact will be terminated, at our request, by HHSC. Is it possible for the IGT to be returned to the one remaining IGT entity that is still used?	The IGT from a recoupment will be returned to the original funding entity, so long as the original funding entity still exists. In the event that the original entity is no longer in business, for example due to a hospital closure, the IGT may be directed.
63	5/7/2019	UC/UPL	In another example, what if the IGT entity used in early DY years has been replaced by LPPF? We would need to use LPPF to fund the DY3-DY7 UC withhold payouts – in the netting of the debt repayment, could the net amount (recoupment or payout) come solely from the LPPF?	IGT may be supplied for withheld payments from any current and active affiliation agreement, including those with an LPPF. Recoupments will be processed separately, and the IGT will be returned to the original entity. The netting out of the recoupments and payments that was illustrated by HHSC does not presume the impact to the IGT entities, but rather on a facility specific basis, how the payments and recoupments will be allocated.
64	5/7/2019	UC/UPL	The 3 options related to the withheld have a resulted in some questions or concerns on the treatment of the DSH payments:	See below.
65	5/7/2019	UC/UPL	(1) With the industry acceptance of the DSH option X, was the UC DY3-5 updated with the option x DSH payments to determine the remaining HSL?	Yes, the option X DSH payments and IGT were accounted for in the three UC models.
66	5/7/2019	UC/UPL	(2) Was the UC DY3-5 updated with the option x DSH additional IGT requirements and added to the remaining HSL for the distribution of the withheld fund in the 3 options?	Yes, the option X DSH payments and IGT were accounted for in the three UC models.
67	5/7/2019	UC/UPL	(3) Can the UC DY3-6 models be released to verify the calculation on the options and assist with new options for the recoupment of UPL?	Yes. These models are currently being put on the website
68	5/8/2019	DY9	Below are general questions regarding the Deloitte modeling released for UC S-10 payments starting in DY 9. These questions pertain to the modeling in the Excel file "TX UC DSH UHRIP Payment Model Data Refresh:"	See below.

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69	5/8/2019	DY9	1. Please release the following data (or please identify where in the modeling/Excel file it can be found): a. for each hospital in the model, that hospital's SB 7 HSL that was used to calculate that hospital's "Updated DSH Payment Estimate" (UC Payment Modeling tab, column O);	HHSC and Deloitte are in the process of updating the DY9 model and will post updates as soon as possible.
70	5/8/2019	DY9	b. the calculations used to arrive at each hospital's "DSH Payment Estimate" (UC Payment Modeling tab, column O) under that hospital's SB 7 HSL; and the calculations used to arrive at each hospital's "DSH Payment Estimate" (UC Payment Modeling tab, column O) under its post-CHAT HSL.	HHSC and Deloitte are in the process of updating the DY9 model and will post updates as soon as possible.
71	5/8/2019	DY9	2. Is the "HSL No OI or Medicare (Trend Already Applied)" amount the "post-CHAT" HSL used in the "Final UC Payment" estimates (UC Payment Modeling tab, column T)? If not, please identify where that data is in the model Excel file or provide it for all hospitals in the model.	The HSL used for the final UC payment estimates depends on which methodology is filtered in cell C7 of the "UC Payment Assumptions" tab of Deloitte's DY 9 modeling.
72	5/8/2019	DY9	3. It appears that the "Amount of DSH Payment to Offset in UC" (UC Payment Modeling tab, column N) is calculated by the hospital's post-CHAT HSL DSH payment trended minus the hospital's Medicaid shortfall after offsetting UHRIP payments. (See UC Payment Modeling tab, column N.) Under HHSC regulations, the DSH payment offset for S-10 UC also includes a DSH only uninsured HSL. (See 1 TAC § 355.8210(2)(A)(i)) This is the portion of the uninsured shortfall of the HSL that does not reflect unreimbursed charity care costs. So, if a hospital's DSH payments exceed its Medicaid shortfall (after counting UHRIP payments), then the excess would first count against the portion of that hospital's uninsured shortfall that is not S-10 unreimbursed charity care costs (i.e., the DSH only uninsured shortfall).	For modeling purposes, HHSC only asked providers who still had significant DSH offsets after applying the DSH payment to the Medicaid shortfall to complete preliminary DY 9 applications to identify the breakout of the DSH uninsured shortfall between DSH-only and uninsured charity.
73	5/8/2019	DY9	a. Is the DSH only uninsured shortfall reflected in the "Amount of DSH Payment to Offset in UC" (UC Payment Modeling tab, column N)?	Yes, the DSH payments are first applied to the Medicaid shortfall, and then to the DSH-only uninsured shortfall. Any remaining DSH payment will be offset against UC charity.
74	5/8/2019	DY9	b. If the answer to a. is yes, please provide the following calculations for each hospital:	See line 73.
75	5/8/2019	DY9	i. each hospital's DSH only uninsured shortfall; and	These amounts were calculated in applications submitted by each provider, not in an aggregated calculation.
76	5/8/2019	DY9	ii. the amount by which each hospital's "Updated DSH Payment Estimate" (UC Payment Modeling tab, column O) exceeds the sum of its Medicaid shortfall plus DSH only uninsured shortfall.	These amounts can be found in column N of the "UC Payment Modeling" tab in the Deloitte DY 9 modeling.
77	5/8/2019	DY9	c. If the answer to a. is no, please just let us know that and whether there is a possibility to recalculate each hospital's "Amount of DSH Payment to Offset in UC" (UC Payment Modeling tab, column N) to reflect each hospital's DSH only uninsured shortfall?	This calculation will be done in the DY 9 UC applications for all hospitals. For most providers, their Medicaid shortfall is sufficient to cover their entire DSH payment. Therefore, for modeling purposes, HHSC only asked providers who still had significant DSH offsets after applying the DSH payment to the Medicaid shortfall to complete preliminary DY 9 applications to identify the breakout of the DSH uninsured shortfall between DSH-only and uninsured charity.
78	5/8/2019	DY9	4.. Why are State Fiscal Year ("SFY") 2019 UHRIP payments being used for the Final UC Payment estimate (see UC Payment Modeling tab, column T)? Shouldn't SFY 2020 UHRIP payments be used since the UC S-10 will begin in FFY 2020?	HHSC has updated the modeling to use SFY 2020 UHRIP amounts.

	A	B	C	D
2	**Date Submitted**	**Model**	**Question**	**HHSC Response**
79	5/8/2019	DY9	5. Do the SB 7 HSLs used in the model count Medicare payments up to Medicaid allowable cost in addition to commercial insurance payments, or only the latter?	These HSL's account for both Medicare payments and OI payments being capped at the allowable cost.
80	5/9/2019	UC/UPL	Please verify how other state agencies are handling waiver programs after the CHAT lawsuit settlement. Are they doing retroactive settlements or just moving forward prospectively?	HHSC does not know if other states proceeded with withholding supplemental payments in reaction to the previous lawsuits.
81	5/9/2019	UC/UPL	Here is an Alt approach for consideration: I think we need to figure a way to offset the UPL Debt with the withheld funds, then distribute the remainder in 2 passes. Do something for the children Hospitals, make them pass 1, then spread the remainder back to the non-children based on remaining unused cap room they would be pass 2. I see that the initial remainder after UPL offset would be around 270M, I think the children's are in the 170M range in option 3. Just move that over to them, and then spread the remaining 100M to the others. This is less disruptive. I realize that going forward we will have the Post CHAT methodology in place for the DSH HSL calculations, but as we know, it will be minimal to the UC program since it is only the Uninsured from DY 9 forward.	HHSC does not have the resources to run further analyses at this time. However, if there is information that stakeholders require to conduct their own analyses, HHSC is happy to provide it on our website.
82	5/14/2019	DY9	I thought that the 2020 (based on 2018) application would be used for the pool re-sizing and did not expect that application to be due until later in the summer. How will the UC pool re-sizing be known by June, especially for non-S-10 hospitals since they are not required to submit worksheet S-10 as part of the cost report?	HHSC apologizes for any confusion. By the middle of the summer, HHSC should know the costs reported in the S-10s for pool sizing purposes. Non-S-10 hospitals will be asked for information at some point before the pool size is agreed upon with CMS.
83	5/14/2019	DY9	Is HHSC planning on making an additional request of non-S-10 hospitals for amounts to be used in the actual pool re-sizing ahead of the actual 2020 application? If so, when should that be expected?	HHSC is planning on requesting information from non-S-10 hospitals to aide in the resizing of the UC pool. However, HHSC does not have a date for that request.
84	5/14/2019	DY9	What is the actual timing of the 2020 application?	The 2020 applications will be sent out in October, 2019.

	A	B	C	D
2	**Date Submitted**	**Model**	**Question**	**HHSC Response**
85	5/14/2019		On the SB 7 modeling, did the calculation of third-party and Medicare payments up to the Medicaid allowable cost apply only to those patients with other insurance or Medicare coverage or, as we learned in the webinar on Monday, as the calculation was done in the aggregate, were both Medicaid-only and Medicaid/third-party and Medicaid/Medicare included in that aggregate calculation? Here is a very simplistic example: <u>Patient A (Medicaid and third-party coverage)</u> <u>Patient B (Medicaid only)</u> Medicaid-allowable cost: $100 Medicaid-allowable cost: $100 Third-party payment: $150 Medicaid payment: $50 Medicaid payment: $0 The Medicaid shortfall could be calculated in a couple of ways. If both the Medicaid-only and Medicaid and other coverage patients (Patients A and B) were combined and the third-party payments capped at Medicaid allowable cost on an aggregate basis, the Medicaid shortfall would be: **$200 (Medicaid-allowable cost) minus $150 (third-party payment up to Medicaid-allowable cost) minus $50 (Medicaid payment) = $0 Medicaid shortfall** If the Medicaid-only and Medicaid and other coverage patients were treated separately, the third-party payment doesn't wipe out the $50 Medicaid shortfall that the hospital incurred for Patient B: **$100 (Patient A's Medicaid-allowable cost) minus $100 (Patient A's third-party payment capped at Medicaid-allowable cost) plus $100 (Patient B's Medicaid-allowable cost) minus $50 (Patient B's Medicaid payment) = $50 Medicaid shortfall**	We did not commingle Medicaid-only costs and payments with Medicaid+third party costs and payments. The approach we used would result in the second illustration you have below i.e. $50. Your first illustration is closer to the FAQ 33 and 34 approach since the total Medicaid costs for most hospitals will be greater than the third party payment capped at Medicaid allowable cost.
86	6/10/2019		It appears the DY4 amounts do not reflect the payment Dallas and Tarrant facilities received related to the DAB repayment. Can you please send an updated DY4 file reflecting the updated amounts?	HHSC was alerted to an issue with the calculations for DY4 UC. As a result of the 2016 UC disallowance for DY4, which was subsequently upheld by the Departmental Appeals Board in August 2018, HHSC had to recoup about $43 million from certain hospitals. HHSC was then able to make a UC payment to reimburse those hospitals for the recoupment. The data used for the UC/UPL model did not fully take these transactions into account, though they were accounted for in each of the 3 UC withheld payment models. HHSC has updated the UC/UPL model to reflect this update.
87	6/12/2019		What is the FMAP that applies to the 2011 UPL payments in the Fiscal 2011 UPL Expenditures file?	The Texas FMAP for FFY 2011 was 60.56, according to the Federal Register.

	A	B	C	D
2	**Date Submitted**	**Model**	**Question**	**HHSC Response**
88	6/12/2019		1. My understanding is that HHSC will not be repaying the remaining 2011 UPL debt (about $373 million) by recouping pro rata from the providers that received the 2011 UPL payments in question (which total about $480 million). 1a. Assuming this is true and the remaining 2011 UPL repayment is attributed to particular providers (and not just repaid in a lump sum type format), how if it all will this affect the return of the IGTs associated with these payments to governmental entities? For example, if $1 million of the remaining 2011 UPL repayment is attributed to a particular provider but that provider only received $250,000 total in 2011 UPL payments, then the remaining $750,000 that was repaid arguably would not include a non-federal share that traces back to any IGT amount made for any of the 2011 UPL payments in question. In this case, would HHSC attribute the $750,000 repayment amount to a particular 2011 UPL payment that would then have an associated IGT from a particular governmental entity? 1b. Along these lines, what is HHSC's current legal authority to return to the transferring governmental entities the IGTs associated with the unrepaid 2011 UPL payments irrespective of how the repayments are attributed to various providers?	1. That approach is not considered in the modeling distributed by HHSC. 1a. Any potential recoupment from a particular provider will be attributed to a specific UC DY. The IGT will be refunded to the entity that provided the IGT at the time. 1b. HHSC is not proposing to return IGT associated with 2011 UPL payments, as any potential recoupment from a particular provider will be attributed to a specific UC DY. The legal authority for returning IGT associated with UC recoupments is 1 TAC 355.8201(j)(1).
89	6/12/2019		2. If HHSC repays the $373 million in remaining 2011 UPL debt in a lump sum (and doesn't attribute the repayments to particular providers), how will it decide the non-federal share amounts that will be returned to the governmental entities that made IGTs for the 2011 UPL payments? For example, will it assume that each 2011 UPL payment amount has not been repaid pro rata according to the proportion of outstanding 2011 UPL debt (about 373/480 or 78%) and make IGT returns on this basis?	2. The only option to repay in a "lump sum" as described is if we use unspent pool room to do so – for example from withheld payments. Otherwise, recoupments will be attributed to specific providers.
90	6/12/2019		We received a question from one of our members about the timelines for paying out the withheld DSH and UC. I recall that DSH payments could begin in August. Any sense of other IGT windows that may be available for the subsequent DSH and UC payments? Also, do you have an estimate of how soon the withheld DSH may be paid out completely (2014-2017)? We have been in discussion with the Texas congressional delegation about potential DSH reduction methodologies and that question tends to come up.	**Please see, https://rad.hhs.texas.gov/sites/rad/files/documents/hospital-svcs/tenative-dsh-pmnt-cal.pdf**