

**State of  
Texas  
HHSC:**  
*UC / DSH /  
UHRIP Modeling*

***Initial Impact Assessment: Data Refresh***

April 18, 2019

# Preface

Texas HHSC and CMS recently agreed to the extension of the Section 1115 demonstration waiver. The extension outlined changes to the Uncompensated Care (UC) payment program including revising the definition of allowable uninsured costs to be uninsured charity costs incurred by providers and no longer allowing Medicaid shortfall as an allowable cost for UC payment purposes.

Texas currently has three supplemental payment programs that are related to Medicaid shortfall and uninsured/uncompensated costs: the Disproportionate Share Hospital (DSH) program, the UC program, and the Uniform Hospital Rate Increase Program (UHRIP). These programs are all funded by intergovernmental transfers (IGT) by primarily non-state-owned governmental entities. Changes in any of these programs could affect the funding mechanisms and the distribution of payments. HHSC would like to analyze various models that demonstrate the effects of these potential programmatic changes.

This report summarizes the methodologies and assumptions used in a preliminary assessment to review the potential financial impact of the changes to the UC payment program outlined in the Section 1115 waiver. It should be noted that components of the CMS documentation are not clearly defined and the assessment relied on HHSC's interpretation of the CMS prescribed methodology for changes to the UC payment program. Therefore, in order to estimate the future financial impact of the changes to the UC payment program the modeling incorporates HHSC's assumptions, estimations, and interpreted methodology. Details of the assumptions and caveats can be found within the presentation.

The initial assessment relied upon historical and forecasted information, and interpretation of the CMS prescribed methodology for changes to the UC payment program provided by HHSC as documented in the presentation and the Appendix. While we have performed general reasonableness checks of the data received for the analysis, we have not tested or audited the accuracy of the data, and we have relied upon the data in performing the financial assessment. All preliminary data and assumptions included in our analysis are up to date as of April 18, 2019. If the underlying data or information provided is inaccurate or incomplete, the results of the analysis may likewise be inaccurate or incomplete.

This report has been solely prepared for use by the State of Texas for assistance in determining the potential financial impacts to the supplemental payment programs under the extension of the Section 1115 demonstration waiver and is not for the benefit of or to be relied upon by any other person or entity.

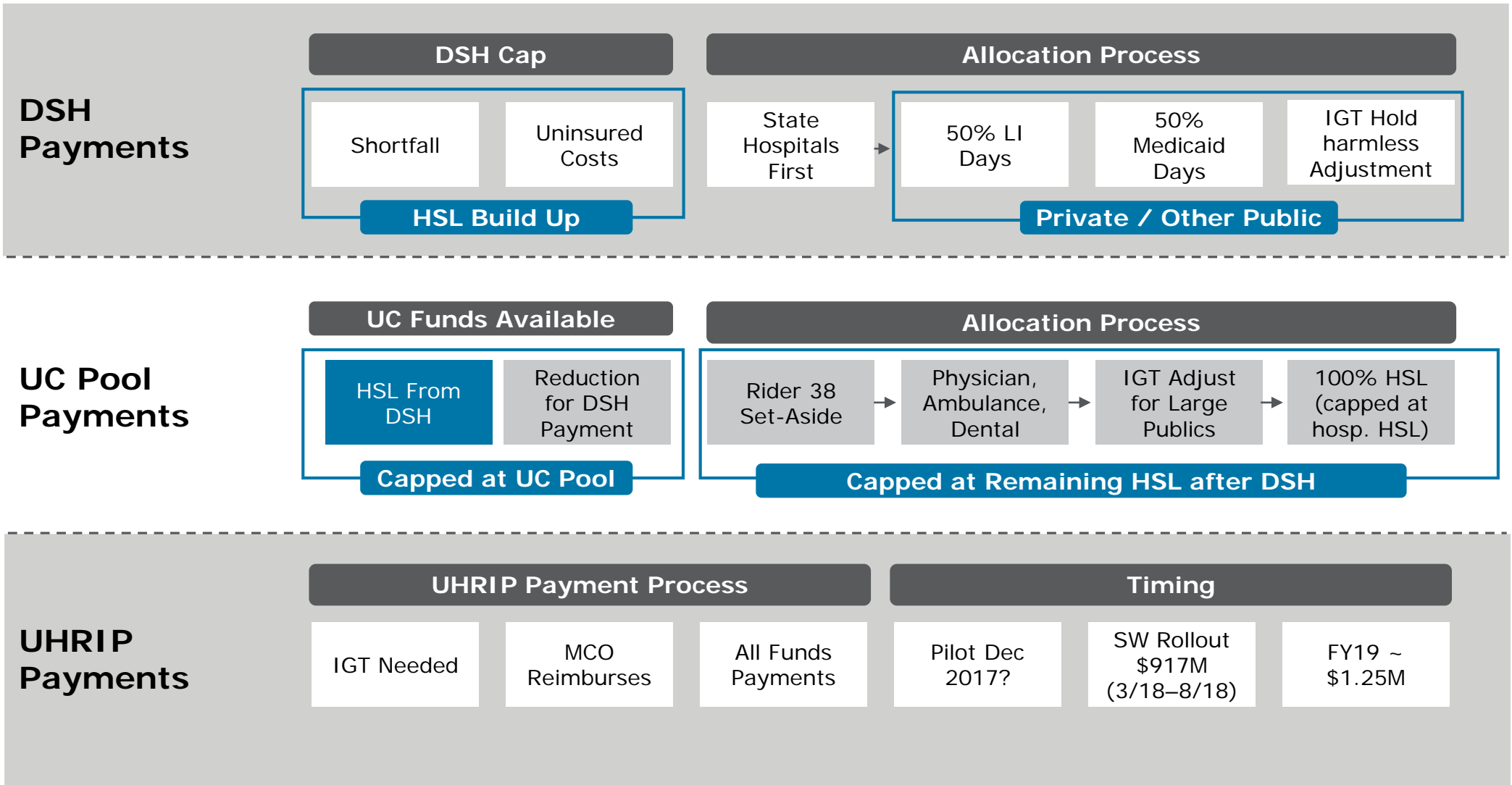
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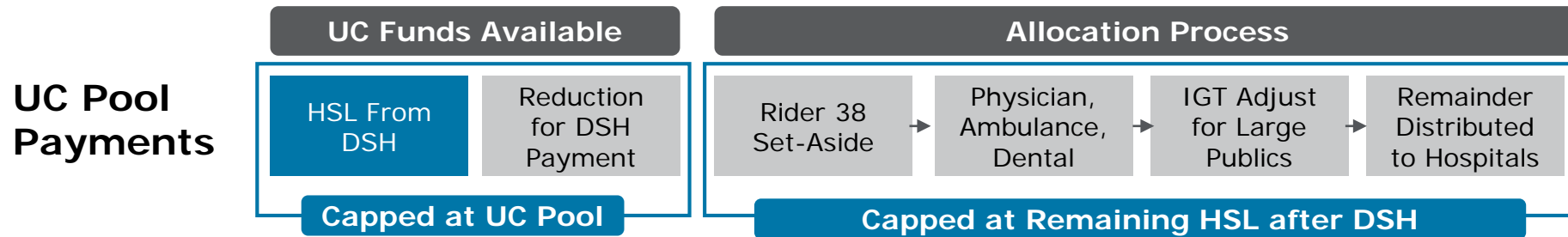
# Overview of Current DSH, UC, UHRIP Calculation Process\*



\*Note: This chart does not reflect all the components and allocation steps for DSH, UC, and UHRIP

# Overview of Current UC process

## Current Uncompensated Care (UC) Process



### UC Funds Available:

- 2017 UC Pool capped at \$3.1B
- 2017 HSL was \$7.8B (\$6.0B, after DSH payments)

### Hospital Specific Limit (HSL):

- Shortfall (inpatient and outpatient)
- Uninsured costs (charity care, other uninsured), determined using hospital uninsured charges x RCC
- Reduced for payments made in DSH

### Allocation Process:

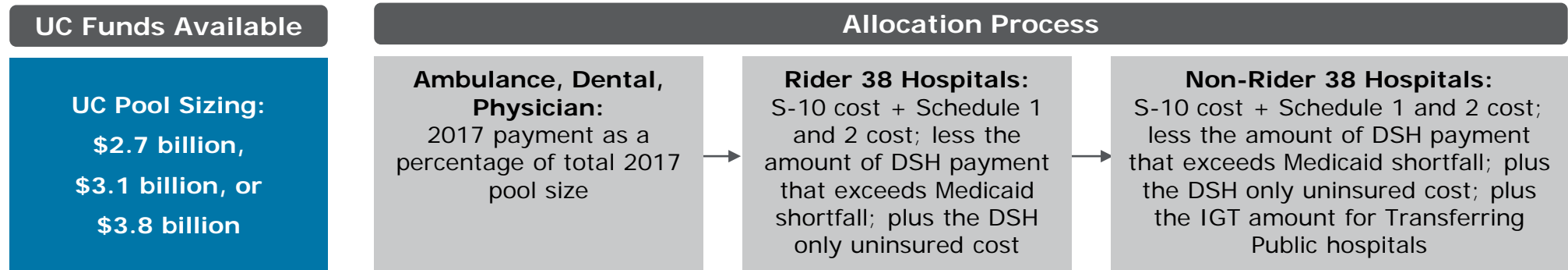
- DSH payments determined first
- HSL reduced for DSH payments
- Set aside for Rider 38 and other providers (small rurals, physician, dental, etc.)
- IGT adjustment applied to increase allocation of UC to large public pool
- UC allocated based on HSL for all hospitals with a not to exceed UC pool amount
- UC capped at remaining HSL after DSH for all hospitals

### Notes:

- Does not reflect all the components and allocation steps for UC
- All components and allocation process provided by HHSC

# Overview of Modified UC Allocation Process

## Modified Uncompensated Care (UC) Allocation Process



### Scenarios Modeled:

- Three methodologies are under consideration for UC pool sizing:
  1. UC Pool Size = \$2.7 billion
  2. UC Pool Size = \$3.1 billion
  3. UC Pool Size = \$3.8 billion
- Two methodologies were modeled for HSL calculation:
  1. Post-CHAT Approach:  $HSL = Total\ Medicaid\ Cost + Uninsured\ Costs - Medicaid\ Payments$
  2. SB 7 Approach:  $HSL = Total\ Medicaid\ Cost + Uninsured\ Costs - Medicaid\ Payments - (Medicaid\ Payments\ for\ Duals + OI\ Payments\ for\ Medicaid\ Clients\ capped\ at\ Medicaid\ Allowable\ Cost)$

### Allocation Process:

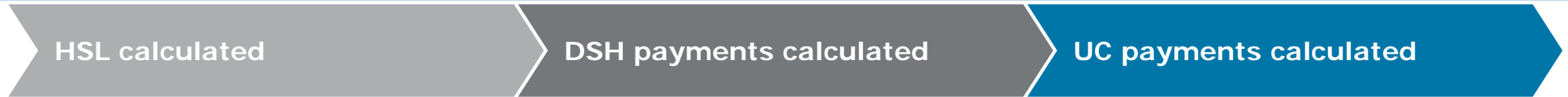
- Ambulance, dental, and physician practice groups are paid out first as a percentage of total pool size. This percentage is calculated based on the 2017 actual payment amount as a percentage of total 2017 pool size (ambulance 4.24% of total pool size, dental 0.01% of total pool size, physician group practices 2.31% of total pool size)
- Next UC payment amounts to Rider 38 hospitals are paid out based on the total amount of the 2017 estimated S-10 cost, Schedule 1 cost, and Schedule 2 cost; less the amount of DSH payment that exceeds Medicaid shortfall (for DSH hospitals only); plus the DSH only uninsured cost (although not applicable for this data)
- The remaining UC pool is allocated to all other providers using the sum of S-10 cost, the uninsured component of Schedule 1 and Schedule 2 costs; less the amount of DSH payment that exceeds Medicaid shortfall (for DSH hospitals only); plus the DSH only uninsured cost; plus the DSH IGT amount for six large Transferring Public hospitals

### Notes:

- Does not reflect all the components and allocation steps for UC
- See Slides 8 through 10 for detailed summary of assumptions for UC modeling

# Overview of DSH, UC, and UHRIP Payment Calculation Order

## Current DSH and UC Calculation Order



- DSH uses HSL in calculation
- UC calculation uses HSL reduced for DSH payments calculated
- DSH was calculated first to promote participation
- If UC allocation is not allowed to account for DSH, would be including UC costs in both DSH and UC payment calculation (i.e. using overlapping UC amounts in both allocations)

## Modified UHRIP, DSH, and UC Calculation Order



- UHRIP payments estimated based on available funds for program
- DSH uses inflated DSH allotment, adjusted for UHRIP payments, and adjusted to remove OI and Medicare
- UC payments calculated using UC pool fund scenarios provided by HHSC
- UC payments allocated based on the sum of S-10 cost, Schedule 1 cost, and Schedule 2 cost; less the amount of DSH payment that exceeds Medicaid shortfall (for DSH hospitals only); plus the DSH only uninsured cost; plus the IGT amount for Transferring Public hospitals

**Notes:**

- Does not reflect all the components and allocation steps for UHRIP, DSH, and UC
- See Slides 9 and 10 for detailed summary of assumptions for UC modeling

# Modeling Assumptions

The following CMS feedback and HHSC internal decisions were incorporated in the analysis:

- **UC Pool Sizing:** Three pool sizing scenarios have been modeled:
  - UC Pool Size = \$2.7 billion
  - UC Pool Size = \$3.1 billion
  - UC Pool Size = \$3.8 billion
- **HSL Calculation Approach:** Two HSL calculation methodologies have been modeled:
  - Post-CHAT Approach HSL:

$$\text{Post-CHAT Approach HSL} = \text{Total Medicaid Cost} + \text{Uninsured Costs} - \text{Medicaid Payments}$$

- SB 7 Approach HSL:

$$\text{SB 7 Approach HSL} = \text{Total Medicaid Cost} + \text{Uninsured Costs} - \text{Medicaid Payments} - \text{Medicare Payments for Duals} - \text{OI Payments for Medicaid Clients}$$

**Capped at Medicaid Allowable Cost**

- **UC Payment Allocation: Schedule 1 and 2, Non-Hospital Providers**
  - CMS has approved that UC payments may be made to ambulance, dental, and physician practice groups. In addition, physician, mid-level professional, and pharmacy (Schedule 1 and 2) uninsured costs can be reimbursed. Therefore, these items are included in allocation under all scenarios.
  - Non-Hospital Provider UC Payment Allocation: Ambulance, dental, and physician practice groups are paid out first as a percentage of total pool size. This percentage is calculated based on the 2017 actual payment amount as a percentage of total 2017 pool size (ambulance 4.24% of total pool size, dental 0.01% of total pool size, physician group practices 2.31% of total pool size)



# Modeling Assumptions (continued)

The following CMS feedback and HHSC internal decisions were incorporated in the analysis:

- **UC Payment Allocation: Rider 38 Hospitals, Non-Rider 38 Hospitals**

- **Rider 38 Hospitals:** UC payments to Rider 38 hospitals are paid out based on the total amount of the estimated S-10 cost, Schedule 1 cost, and Schedule 2 cost; less the amount of DSH payment that exceeds Medicaid shortfall (for DSH hospitals only); plus the DSH only uninsured cost (although not applicable for this data)
  - The 2017 DSH Model, provided by HHSC, was updated to assume that UHRIP payments were made first, it was then utilized to calculate the amount of DSH payment that exceeds Medicaid shortfall and the DSH payment for each HSL approach scenario. The DSH allotment in the provided DSH model was trended from 2017 to 2020 at the CPI-U trend rate of 1.9%
  - The Rider 38 designations for nine non-rural hospitals were removed, per direction of HHSC:

TPI	Provider Name
135237906	United Regional Health Care System
020976902	CHRISTUS St. Michael Health System
094113001	South Texas Health System
162033801	Laredo Medical Center
137245009	Northwest Texas Healthcare System Inc
094148602	Baptist Hospital of Southeast Texas- Beaumont
175287501	University of Texas Southwestern Medical Center at Dallas - Clements
138962907	Hillcrest Baptist Medical Center
207311601	Wadley Regional Medical Center

- **Non-Rider 38 Hospitals:** The remaining UC pool is allocated to the non-Rider 38 hospitals based on the sum of S-10 cost and the uninsured component of the Schedule 1 and 2 cost; less the amount of DSH payment that exceeds Medicaid shortfall (for DSH hospitals only); plus the DSH only uninsured cost; plus the DSH IGT amount for the six large Transferring Public hospitals is used to allocate UC payments to each provider.
  - The 2017 DSH Model, provided by HHSC, was updated to assume that UHRIP payments were made first, it was then was utilized to calculate the amount of DSH payment that exceeds Medicaid shortfall and the DSH payment for each HSL approach scenario. The DSH allotment in the provided DSH model was trended from 2017 to 2020 at the CPI-U trend rate of 1.9% and the “HSL less UC payments charged” for State-owned teaching hospitals were increased from 80% to 90%
  - The 2017 DSH Model, provided by HHSC then adjusted to pay UHRIP first, was also utilized to calculate the DSH IGT amount for each HSL approach scenario, with full IGT availability. The DSH allotment in the provided DSH model was trended from 2017 to 2020 at the CPI-U trend rate of 1.9% and the “HSL less UC payments charged” for State-owned teaching hospitals were increased from 80% to 90%

## Modeling Assumptions (continued)

*The following CMS feedback and HHSC internal decisions were incorporated in the analysis:*

- **State-Owned DSH Hospitals:** Per HHSC's guidance, the state-owned hospitals' S-10 cost or S-10 equivalent costs have been removed during the UC allocation process since these hospitals received reimbursement for S-10 costs in DSH
  - State hospitals that are not in DSH will not have their S-10 cost or S-10 equivalent cost removed during the UC allocation process
- **Order of Hospital Payment Programs:** HHSC specified that UHRIP payments should be considered first in the modeling process, followed by DSH payments, and lastly UC payments. HHSC's DSH model was leveraged to map in UHRIP payments and adjust hospitals' HSL (Medicaid shortfall portion) and DSH payments accordingly
- **Subsequent Year UHRIP Adjustment:** In order to maintain stability in the program, an adjustment to the subsequent year UHRIP payments was modeled to offset where hospital classes received a total modified UHRIP, DSH, and UC payment that was less than their total 2017 payment.
  - The adjustment targeted to increase UHRIP payments for hospital classes where the total modified UHRIP, DSH, and UC payment was less than the total payment for 2017. State IMDs were excluded.
  - The adjustment was calculated to offset the negative total modified payment change for these hospital classes (i.e., if the payment change was -\$80 million, the subsequent year UHRIP adjustment would be \$80 million)
  - The positive UHRIP adjustment for hospital classes with a negative total modified payment change was offset by negative UHRIP adjustments for hospitals classes with positive total modified payment changes
    - The negative UHRIP adjustments were distributed based on total modified payment by hospital class
  - Note modeling was not conducted for UC and DSH payment adjustments in subsequent years due to the UHRIP adjustment

# Data Refresh

The following data sources were provided by HHSC and utilized to refresh the analysis data as of 4/18/2019:

- **Modeling Comparison Values:** The following data was leveraged to develop UC and DSH values to compare to the scenario modeling results
  - **Trended 2017 DSH Payment**
    - The 2017 DSH Model, provided by HHSC, was utilized to calculate the 2017 DSH payment including Medicare and OI payments with no capping.
    - The DSH allotment in the provided DSH model was trended from 2017 to 2020 at the CPI-U trend rate of 1.9%
    - The “HSL less UC payments charged” for State-owned teaching hospitals were increased from 80% to 90%
    - Hospitals were assumed to have 100% Intergovernmental Transfer (IGT) amounts
    - Rider 38 designations for nine non-rural hospitals were removed, per direction of HHSC
  - **Trended 2017 UC Payment**
    - The 2017 UC Model, provided by HHSC, was utilized to calculate the 2017 UC payment including Medicare and OI payments with no capping.
    - The 2017 UC Model was updated to incorporate the trended 2017 DSH payments and HSL from the updated 2017 DSH Model
    - UC pool amount was set to \$3.1 billion
    - Hospitals were assumed to have 100% Intergovernmental Transfer (IGT) amounts
    - Rider 38 designations for nine non-rural hospitals were removed, per direction of HHSC
- **Uninsured Cost of Charity Estimates:** HHSC collected data on the uninsured cost of charity estimates and Schedule 1 and Schedule 2 costs for impacted providers. The data collection file was provided by HHSC:
  - [Data from Submitted Apps] tab: Data from providers that submitted apps was utilized first
  - [Data from Survey] tab: If the provider did not submit an app, data from the survey was utilized
  - [S-10 Data; No Survey] tab: Data for 47 providers that did not submit an app or a survey was also included
- **Updated UHRIP Adjustments:** HHSC provided updated 2019 UHRIP adjustments by provider. These values were then adjusted to increase the total UHRIP pool size to \$1.6 billion, per instruction of HHSC

## Data Refresh (continued)

*The following data sources were provided by HHSC and utilized to refresh the analysis data as of 4/18/2019:*

- **HSL and DSH values for UC scenario modeling:**
  - The 2017 DSH Model, provided by HHSC and adjusted to pay UHRIP payments first, was utilized to calculate the amount of DSH payment that exceeds Medicaid shortfall and the DSH payment for each HSL approach scenario.
  - The DSH allotment in the provided DSH model was trended from 2017 to 2020 at the CPI-U trend rate of 1.9%
  - The “HSL less UC payments charged” for State-owned teaching hospitals were increased from 80% to 90%
  - Hospitals were assumed to have 100% Intergovernmental Transfer (IGT) amounts
  - Rider 38 designations for nine non-rural hospitals were removed, per direction of HHSC
  
- **DSH IGT values for UC scenario modeling:**
  - The DSH IGT amounts for the six large Transferring Public hospitals were used to allocate UC payments.
  - The 2017 DSH Model, provided by HHSC and adjusted to pay UHRIP payments first, was utilized to calculate the DSH IGT amounts for each HSL scenario
  - The DSH allotment in the provided DSH model was trended from 2017 to 2020 at the CPI-U trend rate of 1.9%
  - The “HSL less UC payments charged” for State-owned teaching hospitals were increased from 80% to 90%
  - Hospitals were assumed to have 100% Intergovernmental Transfer (IGT) amounts
  - Rider 38 designations for nine non-rural hospitals were removed, per direction of HHSC

*Updated Uninsured Cost of Charity  
and Schedule 1 and 2 Cost  
Comparison*

# Comparison of Updated Uninsured Cost of Charity and Schedule 1 and 2 Costs

The following table summarizes the uninsured cost of charity and Schedule 1 and 2 values as of 10/30/2018 ("Previous") compared to the updated values provided on 3/28/2019 ("Updated")

*in Millions*

Ownership	Uninsured Cost of Charity			Schedule 1 and 2 Costs			Uninsured Cost of Charity + Schedule 1 and 2 Costs		
	Previous	Updated	Change (%   \$)	Previous	Updated	Change (%   \$)	Previous	Updated	Change (%   \$)
<b>Children's Hospital</b>	\$31.8	\$103.1	224%   \$71.2	\$9.9	\$10.7	7%   \$0.7	\$41.8	\$113.7	172%   \$71.9
<b>Non-Transferring Public</b>	\$209.8	\$306.3	46%   \$96.6	\$22.6	\$18.9	-16%   \$-3.6	\$232.3	\$325.3	40%   \$93
<i>Non-Rider 38</i>	\$154.4	\$194.0	26%   \$39.5	\$18.5	\$18.0	-3%   \$-0.5	\$173.0	\$212.0	23%   \$39.1
<i>Rider 38</i>	\$55.3	\$112.3	103%   \$57	\$4.0	\$0.9	-78%   \$-3.1	\$59.3	\$113.2	91%   \$53.9
<b>Private</b>	\$2,137.9	\$2,513.0	18%   \$375.2	\$63.9	\$138.5	117%   \$74.6	\$2,201.7	\$2,651.5	20%   \$449.8
<i>Non-Rider 38</i>	\$2,039.4	\$2,380.1	17%   \$340.7	\$59.2	\$133.4	125%   \$74.2	\$2,098.6	\$2,513.5	20%   \$414.9
<i>Rider 38</i>	\$98.5	\$132.9	35%   \$34.5	\$4.7	\$5.1	9%   \$0.4	\$103.1	\$138.0	34%   \$34.9
<b>State IMD</b>	\$299.2	\$50.0	-83%   \$-249.1	\$3.3	\$4.2	26%   \$0.9	\$302.5	\$54.2	-82%   \$-248.3
<b>State Teaching</b>	\$280.5	\$107.5	-62%   \$-173.1	\$1.6	\$5.2	236%   \$3.7	\$282.1	\$112.7	-60%   \$-169.4
<i>Non-Rider 38</i>	\$280.5	\$107.5	-62%   \$-173.1	\$1.6	\$5.2	236%   \$3.7	\$282.1	\$112.7	-60%   \$-169.4
<i>Rider 38</i>	\$0.0	\$0.0	N/A   \$0	\$0.0	\$0.0	N/A   \$0	\$0.0	\$0.0	N/A   \$0
<b>Transferring Public</b>	\$1,404.0	\$1,715.9	22%   \$311.9	\$286.2	\$305.0	7%   \$18.8	\$1,690.2	\$2,020.9	20%   \$330.7
<b>Ambulance</b>	\$0.0	\$0.0	N/A   \$0	\$0.0	\$0.0	N/A   \$0	\$0.0	\$0.0	N/A   \$0
<b>Dental</b>	\$0.0	\$0.0	N/A   \$0	\$0.0	\$0.0	N/A   \$0	\$0.0	\$0.0	N/A   \$0
<b>Physician Group Practices</b>	\$0.0	\$0.0	N/A   \$0	\$0.0	\$0.0	N/A   \$0	\$0.0	\$0.0	N/A   \$0
<b>Total</b>	<b>\$4,363.2</b>	<b>\$4,795.8</b>	<b>10%   \$432.6</b>	<b>\$387.4</b>	<b>\$482.5</b>	<b>25%   \$95.1</b>	<b>\$4,750.6</b>	<b>\$5,278.3</b>	<b>11%   \$527.7</b>

Note: The above exhibit is not representative of all hospital costs

# Comparison of Updated Uninsured Cost of Charity and Schedule 1 and 2 Costs: Findings

Children’s Hospitals, Private Non-Rider 38 Hospitals, State IMD Hospitals, and State Teaching Hospitals realized the largest changes from the previous data

<p><b>Children’s Hospital</b> Change: 172% / \$71.9M</p>	<ul style="list-style-type: none"> <li>• “TEXAS CHILDRENS HOSPITAL” had a significant increase in the reported uninsured cost of charity, with the updated value coming in approximately \$55.6M higher than the previous value</li> <li>• “TEXAS SCOTTISH RITE HOSPITAL FOR CHILDREN” did not previously submit uninsured cost of charity data; however, the updated uninsured cost of charity value is \$8.1M</li> </ul>
<p><b>Private Non-Rider 38</b> Change: 20% / \$414.9M</p>	<ul style="list-style-type: none"> <li>• “Good Shepherd Medical Center – Marshall”, “MHHS THE WOODLANDS HOSPITAL” had the largest increase in the total uninsured cost of charity data including Schedule 1 and 2, with a \$44M increase and a \$37M increase, respectively</li> <li>• In total, 48 providers realized a decrease in the total uninsured cost of charity including Schedule 1 and 2, while 139 providers realized an increase</li> </ul>
<p><b>State IMD</b> Change: -82% / -\$248.3M</p>	<ul style="list-style-type: none"> <li>• Nearly all providers realized a significant decrease in the uninsured cost of charity data including Schedule 1 and 2 costs</li> <li>• The only exception was the “THE UNIVERSITY OF TX HARRIS” which realized a \$3.6M increase from the previous data</li> </ul>
<p><b>State Teaching</b> Change: -60% / -\$169.4M</p>	<ul style="list-style-type: none"> <li>• The “University of Texas MD Anderson Cancer Center” realized a \$183M decrease in uninsured cost of charity data including Schedule 1 and 2 costs, driving the total decrease for State Teaching hospitals</li> </ul>
<p><b>Transferring Public</b> Change: 20% / \$330.7M</p>	<ul style="list-style-type: none"> <li>• All Transferring Public providers realized significant increases in their uninsured cost of charity data including Schedule 1 and 2 costs</li> <li>• “Harris County Hospital District Ben Taub General Hospital” and “Tarrant County Hospital District, d/b/a JPS Health Network”, drove the total change with increase of \$140M and \$116M, respectively</li> </ul>

*Comparison of UC Modeling Results  
for \$3.1 billion UC Pool Size*



# Comparison of Updated UC Allocation Methodology

The following table summarizes the UC Payments under each noted scenario based on the UC Allocation Methodology as of 10/30/2018 ("Previous") compared to the Updated UC Allocation Methodology, including the updated uninsured cost of charity and Schedule 1 and 2 costs, as of 4/12/2019 ("Updated")

*in Millions*

Ownership	Modified UC Modeling Comparison: \$2.7 billion pool size, SB 7 HSL Approach			Modified UC Modeling Comparison: \$3.1 billion pool size, SB 7 HSL Approach		
	Previous	Updated	Change (%   \$)	Previous	Updated	Change (%   \$)
<b>Children's Hospital</b>	\$16.4	\$48.4	195%   \$32	\$18.8	\$55.6	196%   \$36.8
<b>Non-Transferring Public</b>	\$151.4	\$197.5	30%   \$46.1	\$165.4	\$210.8	27%   \$45.4
<i>Non-Rider 38</i>	\$97.0	\$89.6	-8%   \$-7.5	\$111.0	\$102.8	-7%   \$-8.1
<i>Rider 38</i>	\$54.4	\$107.9	98%   \$53.5	\$54.4	\$107.9	98%   \$53.5
<b>Private</b>	\$1,291.2	\$1,203.1	-7%   \$-88.1	\$1,459.6	\$1,361.2	-7%   \$-98.4
<i>Non-Rider 38</i>	\$1,188.1	\$1,065.1	-10%   \$-123	\$1,356.5	\$1,223.1	-10%   \$-133.3
<i>Rider 38</i>	\$103.1	\$138.0	34%   \$34.9	\$103.1	\$138.0	34%   \$34.9
<b>State IMD</b>	\$17.2	\$1.8	-90%   \$-15.4	\$19.6	\$2.0	-90%   \$-17.6
<b>State Teaching</b>	\$5.3	\$2.8	-46%   \$-2.4	\$6.0	\$3.3	-46%   \$-2.8
<i>Non-Rider 38</i>	\$5.3	\$2.8	-46%   \$-2.4	\$6.0	\$3.3	-46%   \$-2.8
<i>Rider 38</i>	\$0.0	\$0.0	N/A   \$0	\$0.0	\$0.0	N/A   \$0
<b>Transferring Public</b>	\$1,071.1	\$1,099.0	3%   \$27.9	\$1,225.4	\$1,262.1	3%   \$36.6
<b>Ambulance</b>	\$116.8	\$116.8	N/A   \$0	\$132.5	\$132.5	N/A   \$0
<b>Dental</b>	\$0.2	\$0.2	N/A   \$0	\$0.3	\$0.3	N/A   \$0
<b>Physician Group Practices</b>	\$63.8	\$63.8	N/A   \$0	\$72.4	\$72.4	N/A   \$0
<b>Total</b>	<b>\$2,733.4</b>	<b>\$2,733.4</b>	<b>0%   \$0</b>	<b>\$3,100.0</b>	<b>\$3,100.0</b>	<b>0%   \$0</b>

# Comparison of Updated UC Allocation Methodology: Findings

Children’s Hospitals, Non-Transferring Public Rider 38 Hospitals, Private Non-Rider 38 Hospitals, and Transferring Public Hospitals realized the largest changes from the previous UC allocation methodology

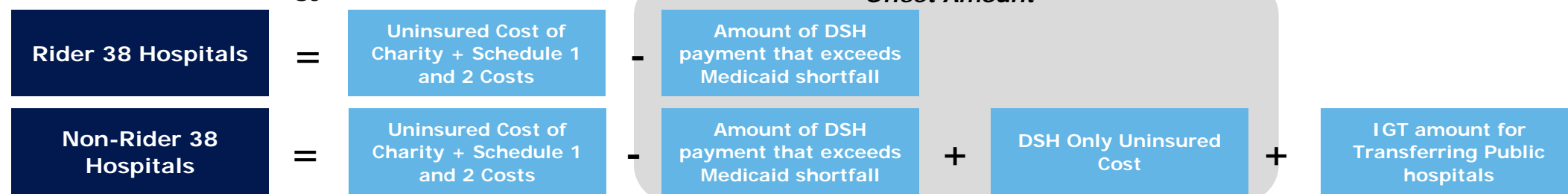
<p><b>Children’s Hospital</b> Change: 196%   \$36.8M</p>	<ul style="list-style-type: none"> <li>• “TEXAS CHILDRENS HOSPITAL” drove the overall increase for Children’s Hospitals with a \$31.6M increase in UC payment for a \$3.1B pool size and the SB 7 HSL approach. The increase was due to a significant increase in their updated uninsured cost of charity data</li> </ul>
<p><b>Non-Transferring Public Rider 38</b> Change: 98%   \$53.5M</p>	<ul style="list-style-type: none"> <li>• Due the allocation methodology, changes to the updated UC model results were directly impacted by the updated uninsured cost of charity and updated Schedule 1 and 2 data</li> <li>• In total, 20 providers realized a decrease in UC payment while 69 realized an increase</li> </ul>
<p><b>Private Non-Rider 38</b> Change: -10%   -133.3M</p>	<ul style="list-style-type: none"> <li>• “Good Shepherd Medical Center – Marshall” realized the largest UC payment increase, with an increase of \$21.6M for a pool size of \$3.1B and the SB7 HSL approach. The increase was due to a significant increase in their updated uninsured cost of charity data</li> <li>• While results varied by provider, in total, 123 providers realized a decrease in their UC payments while 68 realized an increase</li> </ul>
<p><b>Transferring Public</b> Change: 3%   \$36.6M</p>	<ul style="list-style-type: none"> <li>• Results varied significantly by provider. “Harris County Hospital District Ben Taub General Hospital” and “Tarrant County Hospital District, d/b/a JPS Health Network” both realized significant increases of \$32M and \$45M, respectively, while “Dallas County Hospital District” realized a decrease of \$23M</li> </ul>

*Note: All numerical values reference the \$3.1B UC pools size scenario with the SB 7 HSL Approach*

# *Impact of Offset Amounts in UC Allocation Methodology*

# Allocation Methodology: Offset Amount Detail and Comparison

## Allocation Methodology



The following table summarizes the UC Payments under each noted scenario based on the UC Allocation Methodology as of 10/30/2018 ("Previous Modeling") compared to the Updated UC Allocation Methodology, including the updated uninsured cost of charity and Schedule 1 and 2 costs, as of 4/12/2019 ("Updated Modeling")

Ownership	Previous Modeling UC Results for \$3.1B Pool Size	Updated Modeling UC Results; \$3.1 Billion Pool Size; SB 7 HSL Approach		
		UC Payment with NO OFFSET AMOUNT	UC Payment ONLY OFFSET BY Amount of DSH payment that exceeds Medicaid shortfall	UC Payment with FULL OFFSET AMOUNT
<b>Children's Hospital</b>	\$18.8	\$55.0	\$60.6	\$55.6
<b>Non-Transferring Public</b>	\$165.4	\$215.8	\$220.0	\$210.8
<i>Non-Rider 38</i>	\$111.0	\$102.6	\$112.1	\$102.8
<i>Rider 38</i>	\$54.4	\$113.2	\$107.9	\$107.9
<b>Private</b>	\$1,459.6	\$1,353.9	\$1,470.9	\$1,361.2
<i>Non-Rider 38</i>	\$1,356.5	\$1,215.9	\$1,332.8	\$1,223.1
<i>Rider 38</i>	\$103.1	\$138.0	\$138.0	\$138.0
<b>State IMD</b>	\$19.6	\$3.7	\$1.9	\$2.0
<b>State Teaching</b>	\$6.0	\$5.0	\$4.7	\$3.3
<i>Non-Rider 38</i>	\$6.0	\$5.0	\$4.7	\$3.3
<i>Rider 38</i>	\$0.0	\$0.0	\$0.0	\$0.0
<b>Transferring Public</b>	\$1,225.4	\$1,261.4	\$1,136.8	\$1,262.1
<b>Ambulance</b>	\$132.5	\$132.5	\$132.5	\$132.5
<b>Dental</b>	\$0.3	\$0.3	\$0.3	\$0.3
<b>Physician Group Practices</b>	\$72.4	\$72.4	\$72.4	\$72.4
<b>Total</b>	<b>\$3,100.0</b>	<b>\$3,100.0</b>	<b>\$3,100.0</b>	<b>\$3,100.0</b>

# *Modeling Results*

# DSH and UHRIP Modeling Results

*in Millions*

Ownership	UHRIP	DSH				
	2019 Adjustment	Trended 2017 DSH	Post-CHAT HSL Approach, UHRIP First	SB 7 HSL Approach, UHRIP First	% Change Post-CHAT HSL Approach	% Change SB 7 HSL Approach
<b>Children's Hospital</b>	\$17.9	\$63.4	\$103.5	\$67.5	63%	6%
<b>Non-Transferring Public</b>	\$113.3	\$173.8	\$164.9	\$175.1	-5%	1%
<i>Non-Rider 38</i>	\$86.1	\$108.8	\$98.5	\$110.2	-10%	1%
<i>Rider 38</i>	\$27.2	\$65.0	\$66.4	\$64.9	2%	0%
<b>Private</b>	\$1,241.5	\$478.1	\$435.2	\$459.1	-9%	-4%
<i>Non-Rider 38</i>	\$1,209.3	\$450.4	\$408.7	\$431.4	-9%	-4%
<i>Rider 38</i>	\$32.2	\$27.6	\$26.5	\$27.7	-4%	0%
<b>State IMD</b>	\$0.0	\$300.0	\$300.4	\$300.1	0%	0%
<b>State Teaching</b>	\$0.0	\$53.7	\$110.0	\$54.8	105%	2%
<i>Non-Rider 38</i>	\$0.0	\$53.7	\$110.0	\$54.8	105%	2%
<i>Rider 38</i>	\$0.0	\$0.0	\$0.0	\$0.0	0%	0%
<b>Transferring Public</b>	\$227.3	\$800.9	\$755.8	\$813.3	-6%	2%
<b>Ambulance</b>	\$0.0	\$0.0	\$0.0	\$0.0	0%	0%
<b>Dental</b>	\$0.0	\$0.0	\$0.0	\$0.0	0%	0%
<b>Physician Group Practices</b>	\$0.0	\$0.0	\$0.0	\$0.0	0%	0%
<b>Total</b>	<b>\$1,600.0</b>	<b>\$1,869.9</b>	<b>\$1,869.9</b>	<b>\$1,869.9</b>	<b>0%</b>	<b>0%</b>

## Notes

- Private Non-Rider 38 providers and Transferring Public providers receive the largest UHRIP adjustments
- DSH payments for the Post-CHAT HSL Approach have a significant positive impact on Children's Hospitals and State Teaching providers
- DSH payments for the SB 7 HSL Approach are version similar to the trended 2017 approach, including Medicare and OI with no capping

# UC Modeling Results

*in Millions*

Ownership	UC						
	Trended 2017 UC	\$2.7 Billion Pool Size		\$3.1 Billion Pool Size		\$3.8 Billion Pool Size	
		Post-CHAT HSL Approach	SB 7 HSL Approach	Post-CHAT HSL Approach	SB 7 HSL Approach	Post-CHAT HSL Approach	SB 7 HSL Approach
<b>Children's Hospital</b>	\$80.8	\$48.6	\$48.4	\$55.8	\$55.6	\$69.6	\$69.3
<b>Non-Transferring Public</b>	\$242.5	\$197.8	\$197.5	\$211.1	\$210.8	\$236.6	\$236.1
<i>Non-Rider 38</i>	\$140.8	\$89.9	\$89.6	\$103.2	\$102.8	\$128.7	\$128.2
<i>Rider 38</i>	\$101.7	\$107.9	\$107.9	\$107.9	\$107.9	\$107.9	\$107.9
<b>Private</b>	\$1,744.1	\$1,207.1	\$1,203.1	\$1,365.8	\$1,361.2	\$1,668.7	\$1,663.0
<i>Non-Rider 38</i>	\$1,593.0	\$1,069.1	\$1,065.1	\$1,227.7	\$1,223.1	\$1,530.7	\$1,525.0
<i>Rider 38</i>	\$151.1	\$138.0	\$138.0	\$138.0	\$138.0	\$138.0	\$138.0
<b>State IMD</b>	\$7.1	\$1.8	\$1.8	\$2.0	\$2.0	\$2.5	\$2.5
<b>State Teaching</b>	\$23.4	\$2.8	\$2.8	\$3.3	\$3.3	\$4.1	\$4.1
<i>Non-Rider 38</i>	\$23.4	\$2.8	\$2.8	\$3.3	\$3.3	\$4.1	\$4.1
<i>Rider 38</i>	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<b>Transferring Public</b>	\$740.3	\$1,094.4	\$1,099.0	\$1,256.8	\$1,262.1	\$1,567.0	\$1,573.5
<b>Ambulance</b>	\$154.5	\$116.8	\$116.8	\$132.5	\$132.5	\$162.4	\$162.4
<b>Dental</b>	\$0.4	\$0.2	\$0.2	\$0.3	\$0.3	\$0.3	\$0.3
<b>Physician Group Practices</b>	\$107.0	\$63.8	\$63.8	\$72.4	\$72.4	\$88.7	\$88.7
<b>Total</b>	<b>\$3,100.0</b>	<b>\$2,733.4</b>	<b>\$2,733.4</b>	<b>\$3,100.0</b>	<b>\$3,100.0</b>	<b>\$3,800.0</b>	<b>\$3,800.0</b>

## Notes

- Due to the allocation methodology, Rider 38 hospitals receive the same UC payment under all 6 scenarios
- Children's Hospitals receive lower UC payments under all scenarios
- UC methodology changes have the largest impact on Transferring Public Hospitals

# Total Payment (UHRIP + DSH + UC) Modeling Results

*in Millions*

Ownership	Total Payment (UHRIP + DSH + UC)						
	2017 Trended (DSH + UC)	\$2.7 Billion Pool Size		\$3.1 Billion Pool Size		\$3.8 Billion Pool Size	
		Post-CHAT HSL Approach	SB 7 HSL Approach	Post-CHAT HSL Approach	SB 7 HSL Approach	Post-CHAT HSL Approach	SB 7 HSL Approach
<b>Children's Hospital</b>	\$144.2	\$169.9	\$133.7	\$177.1	\$140.9	\$190.9	\$154.6
<b>Non-Transferring Public</b>	\$416.3	\$476.1	\$485.9	\$489.4	\$499.2	\$514.9	\$524.5
<i>Non-Rider 38</i>	\$249.7	\$274.5	\$285.9	\$287.8	\$299.2	\$313.3	\$324.6
<i>Rider 38</i>	\$166.7	\$201.6	\$200.0	\$201.6	\$200.0	\$201.6	\$200.0
<b>Private</b>	\$2,222.1	\$2,883.8	\$2,903.7	\$3,042.5	\$3,061.7	\$3,345.4	\$3,363.6
<i>Non-Rider 38</i>	\$2,043.4	\$2,687.1	\$2,705.8	\$2,845.7	\$2,863.8	\$3,148.7	\$3,165.7
<i>Rider 38</i>	\$178.7	\$196.7	\$197.9	\$196.7	\$197.9	\$196.7	\$197.9
<b>State IMD</b>	\$307.0	\$302.1	\$301.9	\$302.4	\$302.1	\$302.9	\$302.6
<b>State Teaching</b>	\$77.1	\$112.9	\$57.7	\$113.3	\$58.1	\$114.1	\$58.9
<i>Non-Rider 38</i>	\$77.1	\$112.9	\$57.7	\$113.3	\$58.1	\$114.1	\$58.9
<i>Rider 38</i>	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<b>Transferring Public</b>	\$1,541.2	\$2,077.6	\$2,139.6	\$2,240.0	\$2,302.7	\$2,550.1	\$2,614.1
<b>Ambulance</b>	\$154.5	\$116.8	\$116.8	\$132.5	\$132.5	\$162.4	\$162.4
<b>Dental</b>	\$0.4	\$0.2	\$0.2	\$0.3	\$0.3	\$0.3	\$0.3
<b>Physician Group Practices</b>	\$107.0	\$63.8	\$63.8	\$72.4	\$72.4	\$88.7	\$88.7
<b>Total</b>	<b>\$4,969.9</b>	<b>\$6,203.3</b>	<b>\$6,203.3</b>	<b>\$6,569.9</b>	<b>\$6,569.9</b>	<b>\$7,269.9</b>	<b>\$7,269.9</b>

## Notes

- Private Non-Rider 38 Hospitals and Transferring Public Hospitals realized the largest increases in Total Payment. These were both driven by large UHRIP adjustments, both hospital types also realize large increases in the UC payment
- Total Payments for Rider 38 hospitals remain fairly consistent across scenarios
- Children’s Hospitals and Transferring Public hospitals realize the largest differences between the Post-CHAT HSL and the SB 7 HSL Approaches



# *Appendix*

# Modeling Results: \$2.7 Billion UC Pool Size; Post-CHAT HSL Approach

## Post-CHAT HSL Approach: Exclude Medicare and OI Payments

*in Millions*

Ownership	UHRIP			DSH			UC			Total Modified UHRIP, DSH, and UC Payment			Subsequent Year UHRIP Adjustment
	Trended 2017	Modified Estimate	Change (\$)	Trended 2017	Modified Estimate	Change (%   \$)	Trended 2017	Modified Estimate	Change (%   \$)	Trended 2017	Modified Estimate	Change (%   \$)	
<b>Children's Hospital Non-Transferring Public</b>	\$0.0	\$17.9	\$17.9	\$63.4	\$103.5	63%   \$40.1	\$80.8	\$48.6	-40%   \$-32.2	\$144.2	\$169.9	18%   \$25.7	\$0.0
<i>Non-Rider 38</i>	\$0.0	\$113.3	\$113.3	\$173.8	\$164.9	-5%   \$-8.9	\$242.5	\$197.8	-18%   \$-44.7	\$416.3	\$476.1	14%   \$59.7	\$0.0
<i>Rider 38</i>	\$0.0	\$86.1	\$86.1	\$108.8	\$98.5	-10%   \$-10.4	\$140.8	\$89.9	-36%   \$-50.9	\$249.7	\$274.5	10%   \$24.8	\$0.0
<i>Rider 38</i>	\$0.0	\$27.2	\$27.2	\$65.0	\$66.4	2%   \$1.5	\$101.7	\$107.9	6%   \$6.2	\$166.7	\$201.6	21%   \$34.9	\$0.0
<b>Private</b>	\$0.0	\$1,241.5	\$1,241.5	\$478.1	\$435.2	-9%   \$-42.8	\$1,744.1	\$1,207.1	-31%   \$-536.9	\$2,222.1	\$2,883.8	30%   \$661.7	\$0.0
<i>Non-Rider 38</i>	\$0.0	\$1,209.3	\$1,209.3	\$450.4	\$408.7	-9%   \$-41.7	\$1,593.0	\$1,069.1	-33%   \$-523.9	\$2,043.4	\$2,687.1	32%   \$643.7	\$0.0
<i>Rider 38</i>	\$0.0	\$32.2	\$32.2	\$27.6	\$26.5	-4%   \$-1.1	\$151.1	\$138.0	-9%   \$-13.1	\$178.7	\$196.7	10%   \$18	\$0.0
<b>State IMD</b>	\$0.0	\$0.0	\$0.0	\$300.0	\$300.4	0%   \$0.4	\$7.1	\$1.8	-75%   \$-5.3	\$307.0	\$302.1	-2%   \$-4.9	\$0.0
<b>State Teaching</b>	\$0.0	\$0.0	\$0.0	\$53.7	\$110.0	105%   \$56.3	\$23.4	\$2.8	-88%   \$-20.5	\$77.1	\$112.9	46%   \$35.8	\$0.0
<i>Non-Rider 38</i>	\$0.0	\$0.0	\$0.0	\$53.7	\$110.0	105%   \$56.3	\$23.4	\$2.8	-88%   \$-20.5	\$77.1	\$112.9	46%   \$35.8	\$0.0
<i>Rider 38**</i>	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	N/A   \$0	\$0.0	\$0.0	0%   \$0	\$0.0	\$0.0	0%   \$0	\$0.0
<b>Transferring Public</b>	\$0.0	\$227.3	\$227.3	\$800.9	\$755.8	-6%   \$-45.1	\$740.3	\$1,094.4	48%   \$354.1	\$1,541.2	\$2,077.6	35%   \$536.4	\$0.0
<b>Ambulance</b>	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	N/A   \$0	\$154.5	\$116.8	-24%   \$-37.6	\$154.5	\$116.8	-24%   \$-37.6	\$0.0
<b>Dental</b>	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	N/A   \$0	\$0.4	\$0.2	-40%   \$-0.2	\$0.4	\$0.2	-40%   \$-0.2	\$0.0
<b>Physician Group Practices</b>	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	N/A   \$0	\$107.0	\$63.8	-40%   \$-43.2	\$107.0	\$63.8	-40%   \$-43.2	\$0.0
<b>Total</b>	<b>\$0.0</b>	<b>\$1,600.0</b>	<b>\$1,600.0</b>	<b>\$1,869.9</b>	<b>\$1,869.9</b>	<b>0%   \$0</b>	<b>\$3,100.0</b>	<b>\$2,733.4</b>	<b>-12%   \$-366.6</b>	<b>\$4,969.9</b>	<b>\$6,203.3</b>	<b>25%   \$1233.4</b>	<b>\$0.0</b>

# Modeling Results: \$2.7 Billion UC Pool Size; SB 7 HSL Approach

## SB 7 HSL Approach: Cap Medicare and OI Payments

*in Millions*

Ownership	UHRIP			DSH			UC			Total Modified UHRIP, DSH, and UC Payment			Subsequent Year UHRIP Adjustment
	Trended 2017	Modified Estimate	Change (\$)	Trended 2017	Modified Estimate	Change (%   \$)	Trended 2017	Modified Estimate	Change (%   \$)	Trended 2017	Modified Estimate	Change (%   \$)	
<b>Children's Hospital Non-Transferring Public</b>	\$0.0	\$17.9	\$17.9	\$63.4	\$67.5	6%   \$4.1	\$80.8	\$48.4	-40%   \$-32.4	\$144.2	\$133.7	-7%   \$-10.5	\$10.5
<i>Non-Rider 38</i>	\$0.0	\$113.3	\$113.3	\$173.8	\$175.1	1%   \$1.3	\$242.5	\$197.5	-19%   \$-45.1	\$416.3	\$485.9	17%   \$69.6	(\$1.5)
<i>Rider 38</i>	\$0.0	\$86.1	\$86.1	\$108.8	\$110.2	1%   \$1.4	\$140.8	\$89.6	-36%   \$-51.3	\$249.7	\$285.9	15%   \$36.2	(\$0.8)
<i>Rider 38</i>	\$0.0	\$27.2	\$27.2	\$65.0	\$64.9	0%   \$-0.1	\$101.7	\$107.9	6%   \$6.2	\$166.7	\$200.0	20%   \$33.3	(\$0.7)
<b>Private</b>	\$0.0	\$1,241.5	\$1,241.5	\$478.1	\$459.1	-4%   \$-18.9	\$1,744.1	\$1,203.1	-31%   \$-541	\$2,222.1	\$2,903.7	31%   \$681.6	(\$15.1)
<i>Non-Rider 38</i>	\$0.0	\$1,209.3	\$1,209.3	\$450.4	\$431.4	-4%   \$-19	\$1,593.0	\$1,065.1	-33%   \$-527.9	\$2,043.4	\$2,705.8	32%   \$662.4	(\$14.7)
<i>Rider 38</i>	\$0.0	\$32.2	\$32.2	\$27.6	\$27.7	0%   \$0.1	\$151.1	\$138.0	-9%   \$-13.1	\$178.7	\$197.9	11%   \$19.2	(\$0.4)
<b>State IMD</b>	\$0.0	\$0.0	\$0.0	\$300.0	\$300.1	0%   \$0.1	\$7.1	\$1.8	-75%   \$-5.3	\$307.0	\$301.9	-2%   \$-5.2	\$0.0
<b>State Teaching</b>	\$0.0	\$0.0	\$0.0	\$53.7	\$54.8	2%   \$1.1	\$23.4	\$2.8	-88%   \$-20.5	\$77.1	\$57.7	-25%   \$-19.4	\$19.4
<i>Non-Rider 38</i>	\$0.0	\$0.0	\$0.0	\$53.7	\$54.8	2%   \$1.1	\$23.4	\$2.8	-88%   \$-20.5	\$77.1	\$57.7	-25%   \$-19.4	\$19.4
<i>Rider 38**</i>	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	N/A   \$0	\$0.0	\$0.0	0%   \$0	\$0.0	\$0.0	0%   \$0	\$0.0
<b>Transferring Public</b>	\$0.0	\$227.3	\$227.3	\$800.9	\$813.3	2%   \$12.3	\$740.3	\$1,099.0	48%   \$358.7	\$1,541.2	\$2,139.6	39%   \$598.4	(\$13.3)
<b>Ambulance</b>	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	N/A   \$0	\$154.5	\$116.8	-24%   \$-37.6	\$154.5	\$116.8	-24%   \$-37.6	\$0.0
<b>Dental</b>	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	N/A   \$0	\$0.4	\$0.2	-40%   \$-0.2	\$0.4	\$0.2	-40%   \$-0.2	\$0.0
<b>Physician Group Practices</b>	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	N/A   \$0	\$107.0	\$63.8	-40%   \$-43.2	\$107.0	\$63.8	-40%   \$-43.2	\$0.0
<b>Total</b>	<b>\$0.0</b>	<b>\$1,600.0</b>	<b>\$1,600.0</b>	<b>\$1,869.9</b>	<b>\$1,869.9</b>	<b>0%   \$0</b>	<b>\$3,100.0</b>	<b>\$2,733.4</b>	<b>-12%   \$-366.6</b>	<b>\$4,969.9</b>	<b>\$6,203.3</b>	<b>25%   \$1233.4</b>	<b>\$0.0</b>

# Modeling Results: \$3.1 Billion UC Pool Size; Post-CHAT HSL Approach

## Post-CHAT HSL Approach: Exclude Medicare and OI Payments

*in Millions*

Ownership	UHRIP			DSH			UC			Total Modified UHRIP, DSH, and UC Payment			Subsequent Year UHRIP Adjustment
	Trended 2017	Modified Estimate	Change (\$)	Trended 2017	Modified Estimate	Change (%   \$)	Trended 2017	Modified Estimate	Change (%   \$)	Trended 2017	Modified Estimate	Change (%   \$)	
<b>Children's Hospital Non-Transferring Public</b>	\$0.0	\$17.9	\$17.9	\$63.4	\$103.5	63%   \$40.1	\$80.8	\$55.8	-31%   \$-25	\$144.2	\$177.1	23%   \$32.9	\$0.0
<i>Non-Rider 38</i>	\$0.0	\$113.3	\$113.3	\$173.8	\$164.9	-5%   \$-8.9	\$242.5	\$211.1	-13%   \$-31.4	\$416.3	\$489.4	18%   \$73.1	\$0.0
<i>Rider 38</i>	\$0.0	\$86.1	\$86.1	\$108.8	\$98.5	-10%   \$-10.4	\$140.8	\$103.2	-27%   \$-37.6	\$249.7	\$287.8	15%   \$38.2	\$0.0
<i>Rider 38</i>	\$0.0	\$27.2	\$27.2	\$65.0	\$66.4	2%   \$1.5	\$101.7	\$107.9	6%   \$6.2	\$166.7	\$201.6	21%   \$34.9	\$0.0
<b>Private</b>	\$0.0	\$1,241.5	\$1,241.5	\$478.1	\$435.2	-9%   \$-42.8	\$1,744.1	\$1,365.8	-22%   \$-378.3	\$2,222.1	\$3,042.5	37%   \$820.4	\$0.0
<i>Non-Rider 38</i>	\$0.0	\$1,209.3	\$1,209.3	\$450.4	\$408.7	-9%   \$-41.7	\$1,593.0	\$1,227.7	-23%   \$-365.2	\$2,043.4	\$2,845.7	39%   \$802.4	\$0.0
<i>Rider 38</i>	\$0.0	\$32.2	\$32.2	\$27.6	\$26.5	-4%   \$-1.1	\$151.1	\$138.0	-9%   \$-13.1	\$178.7	\$196.7	10%   \$18	\$0.0
<b>State IMD</b>	\$0.0	\$0.0	\$0.0	\$300.0	\$300.4	0%   \$0.4	\$7.1	\$2.0	-71%   \$-5	\$307.0	\$302.4	-2%   \$-4.6	\$0.0
<b>State Teaching</b>	\$0.0	\$0.0	\$0.0	\$53.7	\$110.0	105%   \$56.3	\$23.4	\$3.3	-86%   \$-20.1	\$77.1	\$113.3	47%   \$36.2	\$0.0
<i>Non-Rider 38</i>	\$0.0	\$0.0	\$0.0	\$53.7	\$110.0	105%   \$56.3	\$23.4	\$3.3	-86%   \$-20.1	\$77.1	\$113.3	47%   \$36.2	\$0.0
<i>Rider 38**</i>	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	N/A   \$0	\$0.0	\$0.0	0%   \$0	\$0.0	\$0.0	0%   \$0	\$0.0
<b>Transferring Public</b>	\$0.0	\$227.3	\$227.3	\$800.9	\$755.8	-6%   \$-45.1	\$740.3	\$1,256.8	70%   \$516.5	\$1,541.2	\$2,240.0	45%   \$698.8	\$0.0
<b>Ambulance</b>	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	N/A   \$0	\$154.5	\$132.5	-14%   \$-22	\$154.5	\$132.5	-14%   \$-22	\$0.0
<b>Dental</b>	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	N/A   \$0	\$0.4	\$0.3	-32%   \$-0.1	\$0.4	\$0.3	-32%   \$-0.1	\$0.0
<b>Physician Group Practices</b>	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	N/A   \$0	\$107.0	\$72.4	-32%   \$-34.6	\$107.0	\$72.4	-32%   \$-34.6	\$0.0
<b>Total</b>	<b>\$0.0</b>	<b>\$1,600.0</b>	<b>\$1,600.0</b>	<b>\$1,869.9</b>	<b>\$1,869.9</b>	<b>0%   \$0</b>	<b>\$3,100.0</b>	<b>\$3,100.0</b>	<b>0%   \$0</b>	<b>\$4,969.9</b>	<b>\$6,569.9</b>	<b>32%   \$1600</b>	<b>\$0.0</b>

# Modeling Results: \$3.1 Billion UC Pool Size; SB 7 HSL Approach

## SB 7 HSL Approach: Cap Medicare and OI Payments

*in Millions*

Ownership	UHRIP			DSH			UC			Total Modified UHRIP, DSH, and UC Payment			Subsequent Year UHRIP Adjustment
	Trended 2017	Modified Estimate	Change (\$)	Trended 2017	Modified Estimate	Change (%   \$)	Trended 2017	Modified Estimate	Change (%   \$)	Trended 2017	Modified Estimate	Change (%   \$)	
<b>Children's Hospital Non-Transferring Public</b>	\$0.0	\$17.9	\$17.9	\$63.4	\$67.5	6%   \$4.1	\$80.8	\$55.6	-31%   \$-25.2	\$144.2	\$140.9	-2%   \$-3.3	\$3.3
<i>Non-Rider 38</i>	\$0.0	\$113.3	\$113.3	\$173.8	\$175.1	1%   \$1.3	\$242.5	\$210.8	-13%   \$-31.8	\$416.3	\$499.2	20%   \$82.8	(\$1.1)
<i>Rider 38</i>	\$0.0	\$86.1	\$86.1	\$108.8	\$110.2	1%   \$1.4	\$140.8	\$102.8	-27%   \$-38	\$249.7	\$299.2	20%   \$49.5	(\$0.7)
<i>Rider 38</i>	\$0.0	\$27.2	\$27.2	\$65.0	\$64.9	0%   \$-0.1	\$101.7	\$107.9	6%   \$6.2	\$166.7	\$200.0	20%   \$33.3	(\$0.4)
<b>Private</b>	\$0.0	\$1,241.5	\$1,241.5	\$478.1	\$459.1	-4%   \$-18.9	\$1,744.1	\$1,361.2	-22%   \$-382.9	\$2,222.1	\$3,061.7	38%   \$839.6	(\$11.1)
<i>Non-Rider 38</i>	\$0.0	\$1,209.3	\$1,209.3	\$450.4	\$431.4	-4%   \$-19	\$1,593.0	\$1,223.1	-23%   \$-369.8	\$2,043.4	\$2,863.8	40%   \$820.5	(\$10.9)
<i>Rider 38</i>	\$0.0	\$32.2	\$32.2	\$27.6	\$27.7	0%   \$0.1	\$151.1	\$138.0	-9%   \$-13.1	\$178.7	\$197.9	11%   \$19.2	(\$0.3)
<b>State IMD</b>	\$0.0	\$0.0	\$0.0	\$300.0	\$300.1	0%   \$0.1	\$7.1	\$2.0	-71%   \$-5	\$307.0	\$302.1	-2%   \$-4.9	\$0.0
<b>State Teaching</b>	\$0.0	\$0.0	\$0.0	\$53.7	\$54.8	2%   \$1.1	\$23.4	\$3.3	-86%   \$-20.1	\$77.1	\$58.1	-25%   \$-19	\$19.0
<i>Non-Rider 38</i>	\$0.0	\$0.0	\$0.0	\$53.7	\$54.8	2%   \$1.1	\$23.4	\$3.3	-86%   \$-20.1	\$77.1	\$58.1	-25%   \$-19	\$19.0
<i>Rider 38**</i>	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	N/A   \$0	\$0.0	\$0.0	0%   \$0	\$0.0	\$0.0	0%   \$0	\$0.0
<b>Transferring Public</b>	\$0.0	\$227.3	\$227.3	\$800.9	\$813.3	2%   \$12.3	\$740.3	\$1,262.1	70%   \$521.8	\$1,541.2	\$2,302.7	49%   \$761.4	(\$10.1)
<b>Ambulance</b>	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	N/A   \$0	\$154.5	\$132.5	-14%   \$-22	\$154.5	\$132.5	-14%   \$-22	\$0.0
<b>Dental</b>	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	N/A   \$0	\$0.4	\$0.3	-32%   \$-0.1	\$0.4	\$0.3	-32%   \$-0.1	\$0.0
<b>Physician Group Practices</b>	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	N/A   \$0	\$107.0	\$72.4	-32%   \$-34.6	\$107.0	\$72.4	-32%   \$-34.6	\$0.0
<b>Total</b>	<b>\$0.0</b>	<b>\$1,600.0</b>	<b>\$1,600.0</b>	<b>\$1,869.9</b>	<b>\$1,869.9</b>	<b>0%   \$0</b>	<b>\$3,100.0</b>	<b>\$3,100.0</b>	<b>0%   \$0</b>	<b>\$4,969.9</b>	<b>\$6,569.9</b>	<b>32%   \$1600</b>	<b>\$0.0</b>

# Modeling Results: \$3.8 Billion UC Pool Size; Post-CHAT HSL Approach

## Post-CHAT HSL Approach: Exclude Medicare and OI Payments

*in Millions*

Ownership	UHRIP			DSH			UC			Total Modified UHRIP, DSH, and UC Payment			Subsequent Year UHRIP Adjustment
	Trended 2017	Modified Estimate	Change (\$)	Trended 2017	Modified Estimate	Change (%   \$)	Trended 2017	Modified Estimate	Change (%   \$)	Trended 2017	Modified Estimate	Change (%   \$)	
<b>Children's Hospital Non-Transferring Public</b>	\$0.0	\$17.9	\$17.9	\$63.4	\$103.5	63%   \$40.1	\$80.8	\$69.6	-14%   \$-11.2	\$144.2	\$190.9	32%   \$46.7	\$0.0
<i>Non-Rider 38</i>	\$0.0	\$113.3	\$113.3	\$173.8	\$164.9	-5%   \$-8.9	\$242.5	\$236.6	-2%   \$-5.9	\$416.3	\$514.9	24%   \$98.6	\$0.0
<i>Rider 38</i>	\$0.0	\$86.1	\$86.1	\$108.8	\$98.5	-10%   \$-10.4	\$140.8	\$128.7	-9%   \$-12.1	\$249.7	\$313.3	25%   \$63.6	\$0.0
<i>Rider 38</i>	\$0.0	\$27.2	\$27.2	\$65.0	\$66.4	2%   \$1.5	\$101.7	\$107.9	6%   \$6.2	\$166.7	\$201.6	21%   \$34.9	\$0.0
<b>Private</b>	\$0.0	\$1,241.5	\$1,241.5	\$478.1	\$435.2	-9%   \$-42.8	\$1,744.1	\$1,668.7	-4%   \$-75.3	\$2,222.1	\$3,345.4	51%   \$1123.3	\$0.0
<i>Non-Rider 38</i>	\$0.0	\$1,209.3	\$1,209.3	\$450.4	\$408.7	-9%   \$-41.7	\$1,593.0	\$1,530.7	-4%   \$-62.3	\$2,043.4	\$3,148.7	54%   \$1105.3	\$0.0
<i>Rider 38</i>	\$0.0	\$32.2	\$32.2	\$27.6	\$26.5	-4%   \$-1.1	\$151.1	\$138.0	-9%   \$-13.1	\$178.7	\$196.7	10%   \$18	\$0.0
<b>State IMD</b>	\$0.0	\$0.0	\$0.0	\$300.0	\$300.4	0%   \$0.4	\$7.1	\$2.5	-64%   \$-4.5	\$307.0	\$302.9	-1%   \$-4.1	\$0.0
<b>State Teaching</b>	\$0.0	\$0.0	\$0.0	\$53.7	\$110.0	105%   \$56.3	\$23.4	\$4.1	-83%   \$-19.3	\$77.1	\$114.1	48%   \$37	\$0.0
<i>Non-Rider 38</i>	\$0.0	\$0.0	\$0.0	\$53.7	\$110.0	105%   \$56.3	\$23.4	\$4.1	-83%   \$-19.3	\$77.1	\$114.1	48%   \$37	\$0.0
<i>Rider 38**</i>	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	N/A   \$0	\$0.0	\$0.0	0%   \$0	\$0.0	\$0.0	0%   \$0	\$0.0
<b>Transferring Public</b>	\$0.0	\$227.3	\$227.3	\$800.9	\$755.8	-6%   \$-45.1	\$740.3	\$1,567.0	112%   \$826.7	\$1,541.2	\$2,550.1	65%   \$1008.9	\$0.0
<b>Ambulance</b>	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	N/A   \$0	\$154.5	\$162.4	5%   \$8	\$154.5	\$162.4	5%   \$8	\$0.0
<b>Dental</b>	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	N/A   \$0	\$0.4	\$0.3	-17%   \$-0.1	\$0.4	\$0.3	-17%   \$-0.1	\$0.0
<b>Physician Group Practices</b>	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	N/A   \$0	\$107.0	\$88.7	-17%   \$-18.3	\$107.0	\$88.7	-17%   \$-18.3	\$0.0
<b>Total</b>	<b>\$0.0</b>	<b>\$1,600.0</b>	<b>\$1,600.0</b>	<b>\$1,869.9</b>	<b>\$1,869.9</b>	<b>0%   \$0</b>	<b>\$3,100.0</b>	<b>\$3,800.0</b>	<b>23%   \$700</b>	<b>\$4,969.9</b>	<b>\$7,269.9</b>	<b>46%   \$2300</b>	<b>\$0.0</b>

# Modeling Results: \$3.8 Billion UC Pool Size; SB 7 HSL Approach

## SB 7 HSL Approach: Cap Medicare and OI Payments

*in Millions*

Ownership	UHRIP			DSH			UC			Total Modified UHRIP, DSH, and UC Payment			Subsequent Year UHRIP Adjustment
	Trended 2017	Modified Estimate	Change (\$)	Trended 2017	Modified Estimate	Change (%   \$)	Trended 2017	Modified Estimate	Change (%   \$)	Trended 2017	Modified Estimate	Change (%   \$)	
<b>Children's Hospital Non-Transferring Public</b>	\$0.0	\$17.9	\$17.9	\$63.4	\$67.5	6%   \$4.1	\$80.8	\$69.3	-14%   \$-11.5	\$144.2	\$154.6	7%   \$10.4	(\$0.1)
<i>Non-Rider 38</i>	\$0.0	\$113.3	\$113.3	\$173.8	\$175.1	1%   \$1.3	\$242.5	\$236.1	-3%   \$-6.4	\$416.3	\$524.5	26%   \$108.2	(\$0.8)
<i>Rider 38</i>	\$0.0	\$86.1	\$86.1	\$108.8	\$110.2	1%   \$1.4	\$140.8	\$128.2	-9%   \$-12.6	\$249.7	\$324.6	30%   \$74.9	(\$0.6)
<i>Rider 38</i>	\$0.0	\$27.2	\$27.2	\$65.0	\$64.9	0%   \$-0.1	\$101.7	\$107.9	6%   \$6.2	\$166.7	\$200.0	20%   \$33.3	(\$0.3)
<b>Private</b>	\$0.0	\$1,241.5	\$1,241.5	\$478.1	\$459.1	-4%   \$-18.9	\$1,744.1	\$1,663.0	-5%   \$-81.1	\$2,222.1	\$3,363.6	51%   \$1141.5	(\$8.9)
<i>Non-Rider 38</i>	\$0.0	\$1,209.3	\$1,209.3	\$450.4	\$431.4	-4%   \$-19	\$1,593.0	\$1,525.0	-4%   \$-68	\$2,043.4	\$3,165.7	55%   \$1122.3	(\$8.8)
<i>Rider 38</i>	\$0.0	\$32.2	\$32.2	\$27.6	\$27.7	0%   \$0.1	\$151.1	\$138.0	-9%   \$-13.1	\$178.7	\$197.9	11%   \$19.2	(\$0.1)
<b>State IMD</b>	\$0.0	\$0.0	\$0.0	\$300.0	\$300.1	0%   \$0.1	\$7.1	\$2.5	-64%   \$-4.5	\$307.0	\$302.6	-1%   \$-4.4	\$0.0
<b>State Teaching</b>	\$0.0	\$0.0	\$0.0	\$53.7	\$54.8	2%   \$1.1	\$23.4	\$4.1	-83%   \$-19.3	\$77.1	\$58.9	-24%   \$-18.2	\$18.2
<i>Non-Rider 38</i>	\$0.0	\$0.0	\$0.0	\$53.7	\$54.8	2%   \$1.1	\$23.4	\$4.1	-83%   \$-19.3	\$77.1	\$58.9	-24%   \$-18.2	\$18.2
<i>Rider 38**</i>	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	N/A   \$0	\$0.0	\$0.0	0%   \$0	\$0.0	\$0.0	0%   \$0	\$0.0
<b>Transferring Public</b>	\$0.0	\$227.3	\$227.3	\$800.9	\$813.3	2%   \$12.3	\$740.3	\$1,573.5	113%   \$833.2	\$1,541.2	\$2,614.1	70%   \$1072.9	(\$8.4)
<b>Ambulance</b>	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	N/A   \$0	\$154.5	\$162.4	5%   \$8	\$154.5	\$162.4	5%   \$8	\$0.0
<b>Dental</b>	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	N/A   \$0	\$0.4	\$0.3	-17%   \$-0.1	\$0.4	\$0.3	-17%   \$-0.1	\$0.0
<b>Physician Group Practices</b>	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	N/A   \$0	\$107.0	\$88.7	-17%   \$-18.3	\$107.0	\$88.7	-17%   \$-18.3	\$0.0
<b>Total</b>	<b>\$0.0</b>	<b>\$1,600.0</b>	<b>\$1,600.0</b>	<b>\$1,869.9</b>	<b>\$1,869.9</b>	<b>0%   \$0</b>	<b>\$3,100.0</b>	<b>\$3,800.0</b>	<b>23%   \$700</b>	<b>\$4,969.9</b>	<b>\$7,269.9</b>	<b>46%   \$2300</b>	<b>\$0.0</b>