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Subject: Uniform Hospital Rate Increase Program Postponed - Estimated Roll-Out March 1, 2018
Date: Tuesday, May 02, 2017 2:12:00 PM
Importance: High

Nueces SDA Providers,

In the event have not already heard elsewhere, HHSC's Executive Commissioner announced last Friday via a conference call that it was not feasible to roll out the Uniform Hospital Rate Increase Program (UHRIP) on September 1, 2017 as originally planned; a copy of HHSC's email notice to the SDA Liaisons and UHRIP IGT Entities as received here on Monday, May 1 is pasted farthest below in blue font for your review. HHSC is presently estimating the UHRIP rollout will be March 1, 2018.

A variety of issues cited for the postponement included:

- MCOs indicated they could not leave out non-emergent ED claims by September 2017 (the Legislature requires that non-emergent ED visits receive reduced reimbursement than emergent visits);
- Experience Rebate – how will these costs be treated in regard to Experience Rebate? The additional funding to MCOs may affect HMO insurance reserve levels, and otherwise affect HMO risk;
- IGT entities asked if they provide funding, will that be a part of HMO's experience rebates;
- HHSC has been surveying hospitals and some data is incorrect; some hospitals indicating they have not been contacted; hospitals omitted bcs they did not participate in DSH and UC and therefore were not on the original SDA lists for participation; some hospitals missing Medicaid shortfall information;
- Pushback from SDAs and consultants about why there is an actuarial adjustment required for estimated costs and increases;
- Pushback from consultants that they will not be able to garner IGT by deadlines;
- Interest in different designs depending on whether an LPPF is place;

- An unexpectedly large number of IGTING entities (52 in one SDA); areas in which IGT entities from a different SDA have been asked to provide IGT;
- Letters of agreement challenges; including negotiations on existing provider agreements beyond the IGT funded rate increase; and
- Constitutional issues in regard to how HHSC would proceed in the case of a disallowance on an IGT payment. HHSC working with federal partners.

The Executive Commissioner said he remains supportive of the UHRIP but is committed to take the time to get it right. “It doesn’t have to be perfect, but it has to be right.” HHSC will continue to work diligently to respond to the questions and issues that have arisen.

HHSC feedback to stakeholders will vary depending on the item or issue. In some cases, HHSC will simply make decisions; in others they will work with the entities bringing the issues; or they may work with workgroups, and potentially develop an issues worklist to track issues and their resolution. The Executive Commissioner asked that any stakeholder with issues notify HHSC of those as soon as possible.

To SDA Liaisons and UHRIP IGT Entities:

HHSC has determined that it is not feasible to roll out the Uniform Hospital Rate Increase Program (UHRIP) with an implementation date of September 1, 2017. The currently estimated rollout is March 1, 2018.

HHSC will be working with stakeholders in the coming months to determine the IGT requirements for the UHRIP program, which will be communicated to the SDA liaisons and governmental entities transferring funds sometime in October 2018.

Thank you for your continued interest in the UHRIP program. Please email the HHSC UHRIP mailbox (RAD-UHRIP@hhsc.state.tx.us) if you have any questions regarding the delay in the rollout of UHRIP.

HHSC Hospital Rate Analysis

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