

UNIFORM HOSPITAL RATE INCREASE PROGRAM (UHRIP)

HHSC Final Responses to Outstanding Issues for March 1, 2018 Implementation

Out-of-Service Area Members:

In response to stakeholder concerns, HHSC has agreed to include hospital services provided to a Managed Care Organization's members outside of the member's Service Delivery Area of residence as part of the calculation of managed care capitation rates and UHRIP hospital rate enhancements by class

Outpatient Services:

HHSC has determined that the same methodology being applied for determining UHRIP rate enhancements for the December 1, 2017 UHRIP pilot program will apply to the calculation of UHRIP rates for March 1, 2018. Outpatient services will be included for all hospitals. Non-emergency services provided in an Emergency Department will be excluded for all hospital classes except rural hospitals. Among the items that HHSC will take into consideration when establishing the rate enhancement is whether the increased rates will cause a hospital class in an SDA to exceed 95% of the Medicaid shortfall for that class. If the 95% threshold is crossed, HHSC will adjust the rates downward.

HHSC continues to encourage and support innovative payment models, such as bundled payments, and initiatives which improve health care quality, where feasible and compatible with UHRIP.

Hospital Change of Ownership & New Facilities

HHSC confirms the following policy without change. If, after the beginning of UHRIP, a hospital change of ownership also results in a change of UHRIP hospital classification, HHSC will not amend the MCO contract to reflect the new classification. Consequently, the directed rate enhancement included in its contract with the MCO will apply such that the hospital will continue to receive the UHRIP rate enhancement in effect at the time the program period began. For example, if a hospital in the Bexar or El Paso service areas changed ownership after December 1, 2017, that hospital would be treated for UHRIP reimbursement purposes according to the UHRIP hospital class the facility has in effect as of December 1, 2017 regardless of whether the change of ownership changed that facility's UHRIP classification. The new classification would become effective with the new UHRIP program period (e.g., September 1, 2018).

In order to provide for participation of all eligible Medicaid providers within an SDA, hospitals newly enrolled in Medicaid will be permitted to participate in UHRIP as soon as they contract with an MCO.