
SIO & UCC

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DEFINITION OF RURAL FOR UCC – OLD RIDER 38 EFF 10 / 1 / 2018

(20) Rural hospital--A hospital enrolled as a Medicaid provider that is:

(A) located in a county with 60,000 or fewer persons according to the 2010 U.S. Census; or

(B) designated by Medicare as a Critical Access Hospital (CAH) or a Sole Community Hospital (SCH); or

(C) designated by Medicare as a Rural Referral Center (RRC) and is not located in a Metropolitan Statistical Area (MSA), as defined by the U.S. Office of Management and Budget, or is located in an MSA but has 100 or fewer beds

~~[Rider 38 hospital--A hospital located in a county with 60,000 or fewer persons according to the most recent United States Census, a Medicare-designated Rural Referral Center, a Sole Community Hospital, or a Critical Access Hospital].~~



RIDER 38

- Now called “Rural”
- Eliminated loophole used by large hospitals
- Still an issue with the redistribution after the CHAT lawsuit ruling



POOL RESIZING

- This is still under review with CMS
- The year was defined as cost reports starting in calendar year 2017.
 - FYE 12/31/2017 through FYE 11/30/2018
- Can amend the cost report to correct S10



NEW RULE SECTION 355.8212 EFFECTIVE 10/1/2019

- POOLS
 - State owned hospital pool
 - Physician group, ambulance, public dental pools
 - All other hospital pools
- Maximum payment
 - Hospital charity cost
 - Less interim DSH payments for the “same cost”
 - Plus direct care charity physician & mid level cost & certain pharmacy services



PROPOSED ACTUAL RURAL PAYMENT

- For DY9 – (10/1/19 through 9/30/20) Actual uncompensated charity care + Physician & Pharmacy
- For DY10 and after the lower of actual or what was paid in year 9 (“Guardrail”)



CURRENT COMMENTS IMPACTING RURAL

- The rural guardrail is to prevent the RRC Rider 38 run away
- Urban advisors proposed that rural would be limited to what they bring in the 2017 base year calculation
- Another urban advisor wanted as cap based on DY6 (without RRC) for rural
 - May be substituted in final rule
- An individual provider guardrail to prevent a late adopter from taking substantially more of the pool than they had in the base year (2017 or 2018)?
 - May limit the increase to some percentage of the base year (110%, 115%, etc.)
 - Needs an adjustment if the pool is increased



INTERPRETATION

- You can't wait to adopt or change your policy
- The more in the base year the more in the future.
- 300% FPL is a consensus probable target by urbans
 - Was 200%
- If the 300% FPL is limited to presumptive charity this does not give an entitlement or indigent care status



PRESUMPTIVE CHARITY SCREENING USING PARO™

- PARO™ was developed to use public information data to make a Presumptive Charity determination tool.
- It can be used for any percentage of FPL guidelines
- The base data is from LexusNexis, which is non credit based data.
 - “Access over 78+ billion public records from more than 10,000 different sources, including real estate and personal property records, as well as civil, criminal, court, bankruptcy filings, liens, judgments, cell phone records and more”
 - No credit file use.
 - Use of soft hits on credit data has possible liability and other issues. State hospitals cant use.
 - Credit is not about the ability to pay (charity), but rather a propensity to pay (bad debt).
 - The credit based systems are expensive – monthly about what PARO will cost annually.
 - You can use both. Use Paro on the patients that are not deemed by credit score.
- **Only used to screen patients that are uninsured, have not paid their bill or a approved discounted bill, or otherwise provided data under a charity or financial assistance policy.**
 - **Not an audit tool for your otherwise qualified charity or indigent patients.**



- We have been discussing a rural program with PARO Decision Support, LLC since January.
- PARO targets hospitals with tens to hundreds of thousands of claims per year. This is not targeted for rural hospitals, but is used by many large systems.
 - Christus
 - CHI
 - Ascension
 - St. Joseph
- This was initially designed to assist compliance with the IRS and 501R regulations for Not for Profit compliance



- We have developed a rural program with PARO™ where we will consolidate the data, provide HIPAA compliant transmission protocols, bill and collect.
- You will add the accounts identified by PARO to the accounts identified internally for charity or indigent classification, and put this on the S-10 form of the cost report.
- Three basic levels of service and fees



SERVICE LEVELS

- Basic Plan - Hospital or vendor provides data file correctly formatted and screened. A return file with matched FPL levels assigned is provided as the product. You can submit as often as quarterly. No support for data.
- Full Service Plan - Quarterly
 - IT Access – Requires access to your IT system – We download the data, screen out the insured, process the data, and return a list of the charity claims. (CPSI, Heathland, Med Host and working on others).
 - Data Dump - We download the data, screen out the insured, process the data, and return a list of the charity claims.
- Hybrid Plan – Multi hospital systems, larger than 5000 total uninsured patients, monthly data, other bespoke service needs.



SERVICE FEES

- Basic Plan – \$3,750 plus \$0.65 per guarantor over 3,000
- Full Service Plan
 - Existing Clients that we provide UC/DSH data services - \$3,500 plus \$0.65 per guarantor over 3,000
 - Year 1 - \$8,000 plus \$0.75 per guarantor over 3,000
 - Other Years \$7,000 plus \$0.75 per guarantor over 3,000
- Hybrid Plan – call or email us.
- Data support for Basic Plan - \$350 per hour.
- Cost report amendment
 - Existing clients – No charge
 - Other - \$250 – not including any other accounting services.



BASIC PLAN WITH THIRD PARTY

- If you have a 3rd party billing company, accounting or consulting firm that wants to provide the data services, we will work directly with them for the data.
- We will have to modify the Business Associates Agreement
- You would pay them, and choose the Basic Plan.



POLICY ISSUES

- You will be required to amend your financial assistance policy
- Presumptive Charity – Example policy excerpt
 - For uninsured patients who have not paid or otherwise satisfied their bill, by a payment plan or submission of financial data under our charity and financial assistance policies, we will make a presumptive determination using data from PARO Decision Support, LLC. This determination is to assist the hospital in accurate internal classification and financial presentation, and does not convey an entitlement for future services. For the purposes of the internal classification we use 300% of Federal Poverty Level as a cutoff for financial assistance under this system. We do not disclose the presumptive determination nor do we have access to the decision data utilized by PARO Decision Support.



CONTACT US

www.dhcg.com click Contact and check PARO. Please list the best way to contact you in the comment section and your IT system vendor and version.

Or email us at paro@dhcg.com



Questions?



Thank You!

