

## **ODJFS Response to Comments provided at the 2004 Hospital Care Assurance Program (HCAP) Forums**

The following is the Ohio Department of Job and Family Services' (ODJFS) response to the comments presented at the Federal Fiscal Year (FFY) 2004 Hospital Care Assurance Program (HCAP) forums held in Cincinnati on December 8, Toledo December 10, Cleveland December 12, and Columbus December 16, 2003. ODJFS held these forums prior to developing the HCAP 2004 policy so that the comments could be considered prior to proposing rules in February.

The following is a summary of comments received by forum attendees and ODJFS' response to those comments.

### **Comments regarding the principle use of the HCAP funds**

Comment: HCAP funds should be targeted toward the medically indigent and the most vulnerable patients. HCAP funds should be maximized for use for the provision of uncompensated care. HCAP funds should follow the patients

Response: ODJFS agrees that the guiding principles of the state disproportionate share program are that the money should follow the indigent patients and that the dollars are to help compensate hospitals for uncompensated care costs incurred while providing care to the indigent.

### **Comments regarding ODJFS enforcement of HCAP policy**

Comment: In the last two years UHCAN Ohio has done surveys of hospitals in Cleveland and Columbus which found that hospitals were not posting HCAP required signage requirements at the requisite locations, and hospitals have been inconsistently notifying patients eligible for HCAP of its availability. We (Community Partners for Affordable Health Care Coalition) would request that ODJFS develop a program to monitor how HCAP is being communicated to patients across the state allowing for the proper enforcement from your office.

Comment: We (UHCAN Ohio) urge ODJFS to develop ways to monitor hospital HCAP outreach practices, to seek hospital compliance, and to share your findings with the public. We would be happy to assist in this effort.

Comment: Columbus hospitals made significant improvements in their HCAP policies and procedures, including signs, written materials, staff training, and procedures to inform uninsured patients before they leave the hospital. We (UHCAN Ohio) are starting to replicate this work in Cleveland and would be happy to do so elsewhere in the state by providing technical assistance to local entities, including hospital associations, wanting to improve their HCAP outreach.

Response: ODJFS will continue to monitor hospital compliance through our HCAP data reviews and will continue to communicate and work with hospitals throughout the year to help them understand and comply with HCAP requirements. In addition, the Independent Third Party Validation program, an initiative implemented in response to requests by hospitals and advocates for the indigent, is in effect for HCAP FFY 2004. Early reviews of this initiative from hospitals and CPA's are positive.

### **Comments regarding High-DSH hospitals**

Comment: We (UHCAN Ohio) appreciate ODJFS' sensitivity, in devising the formula, to the high disproportionate share hospitals, which are serving the most vulnerable of our residents.

Response: As in past programs, ODJFS will continue to use the guiding principles of the state disproportionate share program in developing HCAP policy – the money will follow the patients. In addition, ODJFS will work to minimize hospitals' losses in uncompensated care costs and variations in HCAP payments.

### **Comments regarding the Disproportionate Share Limit Pool**

Comment: The Disproportionate Share Limit Pool should be eliminated. It is the one pool in the HCAP formula which HCAP funds clearly do not follow the patient

Comment: If (ODJFS) chooses not to eliminate the Disproportionate Share Limit Pool, then we would recommend that the \$40 million in new DSH funds be allocated proportionately to the other pools.

Comment: The original purpose of the HCAP assessment was to generate sufficient funds in order to draw down Ohio's maximum federal allocation, not to impose a tax on hospitals in order to cover the costs of indigent care. In addition, HCAP was not designed as a mechanism to redistribute hospital funds from one charitable or government hospital to another charitable or government hospital. Thus, the OHA continues to support an assessment return mechanism within the distribution that attempts to return up to 50% of a hospital's assessment.

Response: The Disproportionate Share Limit pool provides a distribution of HCAP funds for uncompensated care reported by hospitals that have not received their maximum allowable amount of HCAP funds through other distribution pools. Like all the other pools in the HCAP formula, the Disproportionate Share Limit pool never provides funding to a hospital in excess of their disproportionate share limit – the amount of uncompensated costs the hospital incurred while caring for indigent patients. This pool is consistent with Federal requirements for distributing disproportionate share funds and takes into consideration the state-wide impact of the HCAP program and access to hospital services.

### **Comments regarding the public input process for HCAP**

Comment: Multiple comments were made applauding ODJFS for giving individuals and groups across the state the opportunity to give input into the HCAP formula before it has been drafted.

Comment: We are appreciative that substantial notice to the communities was provided for this year's forums and look forward to similar advance notice in the future.

Question: Once the Ohio Hospital Association has made its recommendations for this year's HCAP formula, may we have a copy of the recommendation so that we may have an opportunity to comment on them?

Response: We will continue to provide substantial notice to communities regarding HCAP policy forums. ODJFS posts notification of these forums at local ODJFS offices and on our web site at <http://jfs.ohio.gov/ohp/bhpp/hcap/index.stm>.

In addition to the OHA recommendations to the department, the department receives recommendations from numerous individuals and groups across the state like those made during these public forums. All recommendations and ideas are considered by ODJFS in developing the department's rule filed policy. These rules are made available for public comment during the formal rule filing process which includes the rule comment period and the formal rule public hearing.

#### **Comments regarding the use of recent HCAP policy in the 2004 HCAP program**

Comment: OHA would support the Department using the 2002 program as a baseline for designing the next one. Even though the increased program size will not make Ohio hospitals whole for their losses from uncompensated care to the uninsured and Medicaid, the 2002 program garnered relatively high support from the OHA membership.

Response: Due to the favorable response to recent HCAP models, ODJFS intends to propose an HCAP formula for 2004 that is similar to previous HCAP formulas. ODJFS will take into consideration the addition of approximately \$46 million in federal funds that we anticipate will be generated as a result of the recently passed Medicare Prescription Drug Act. Funds will continue to be allocated according to the guiding principles of HCAP and based upon data analysis of reported uncompensated care.

#### **Comments regarding the County Redistribution of Closed Hospitals Payment pool**

Comment/Question: Two years ago the formula was revised to substantially close the loopholes that allowed for payments to closed hospitals. Will the revision of the formula assure that no HCAP funds are compensated to the owners of these closed hospitals in 2004?

Response: ODJFS will follow Administrative Rule 5101:3-2-09 (G) which directs payments that would have been made to a closed hospital to be distributed to the remaining hospitals in the county where the closed hospital is located.