HEALTHCARE LANDSCAPE 2018
Uniform Hospital Rate Increase Program

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National View: Texas Ranks 1st in Uninsured
Texas County View

PERCENTAGE OF POPULATION UNDER 65 WITHOUT HEALTH INSURANCE

- 27% - 37%
- 23% - 27%
- 21% - 23%
- 19% - 21%

Estimates (2005) by Texas State Data Center

Provided by CPPP
www.cppp.org
## Current State

Texas at 21 Percent of FPL

### Texas County Indigent Health Care Program (2016)

<table>
<thead>
<tr>
<th>Persons In the Household</th>
<th>Monthly Income</th>
<th>Annual Income</th>
<th>Annual Work Hours @ $7.25</th>
<th>Maximum Hours Per Week</th>
<th>Percent of Work to Disqualify</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$208</td>
<td>$2496</td>
<td>345</td>
<td>6.6</td>
<td>17%</td>
</tr>
<tr>
<td>2</td>
<td>$280</td>
<td>$3360</td>
<td>464</td>
<td>8.9</td>
<td>23%</td>
</tr>
<tr>
<td>3</td>
<td>$353</td>
<td>$4236</td>
<td>585</td>
<td>11.25</td>
<td>28%</td>
</tr>
<tr>
<td>4</td>
<td>$425</td>
<td>$5100</td>
<td>704</td>
<td>13.5</td>
<td>34%</td>
</tr>
</tbody>
</table>
Medicaid Shortfall

Medicaid Payments as % of Cost
2015

Private
Large Public
Small Public
Total

[Bar chart showing Medicaid payments as a percentage of cost for different categories: Private, Large Public, Small Public, and Total. The chart distinguishes between Medicaid Base Payments only and Medicaid with Supplemental Pools.]
Supplemental Funding Challenges
What is the Uniform Hospital Rate Increase Program (UHRIP)?

Under UHRIP, HHSC will increase its capitation payments to MCOs to account for the rate increase, which will be financed by IGTs from local governmental entities, similar to UC and DSRIP payments.

Hospital Impact —

UHRIP payments are accretive to each hospital’s current Medicaid managed care reimbursement.
Factors that Determine a Hospital’s Rate Increase

- Service Delivery Area
- Hospital Class
- Network Status
- Statewide Allocation to the Program
- Funding Allocation to the SDA
Hospital Class – Consistent with CMS’ requirements, all hospitals within each class will receive a uniform rate increase percentage within a participating SDA. Each class may have a different rate increase percentage, but the percentage may not vary within a class. Below are the current classes set forth in HHSC’s state rules:

- Urban Public Hospital
- Non-Urban Public Hospital
- Rural Public Hospital
- Rural Private Hospital
- Children’s Hospital
- State-Owned Hospital
- Institution for Mental Disease
- Other

UHRIP participation addresses the Medicaid shortfall in a class. In many SDAs, this is why the Children’s Hospital class does not currently receive a rate increase.
MCO Provider Agreements
(Star & Star Plus Products)

- **Network Status**— Only in-network hospitals are eligible to receive a rate increase.

- **Statewide Allocation**— HHSC allocated funding to UHRIP based on the funding available under its CMS-approved Budget Neutrality limitations.

- **Allocation to the SDA**— HHSC allocates the statewide UHRIP funding to each SDA pro rata based on the SDA’s aggregate Medicaid shortfall for all eligible UHRIP hospitals in the SDA.

- **Class Rate Increase Percentage**— Dependent on the SDA allocation
QUESTIONS?