



SFY 2019 HOSPITAL ASSESSMENT MODEL



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NAVIGANT

SFY 2019 HOSPITAL ASSESSMENT MODEL

Initial Assessment Model Inputs

- Since 2014 implementation, AHCCCS' hospital assessment model has used hospital FYE 2011 discharges as the assessment basis
- Initial draft SFY 2019 assessment model contains the following updates to key model inputs and targets:

Model Input / Target	SFY 2018 Model	SFY 2019 Model
Assessed Discharge Basis	FYE 2011	FYE 2016
Total Required Assessment	\$290M	\$305M

- Preliminary SFY 2019 assessment rates have been modeled to achieve new \$305M target assessment when applied to hospital FYE 2016 discharges, while passing CMS-required B1/B2 and Hold Harmless tests

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Initial Assessment Model Methodology

- Initial SFY 2019 assessment model methodology is purposely consistent with models from prior years
 - Allows for an evaluation of the impact of the change in the assessment discharge basis
- Initial SFY 2019 model parameters consistent with prior model versions:
 - Provider classification criteria
 - “Acute” discharges assessed differently than psychiatric and rehabilitation sub-provider discharges
 - Use of acute discharge threshold, where acute discharges above the threshold are assessed at a significantly lower rate, in order to pass CMS’ B1/B2 test
 - Lower assessment rates for select provider classifications, based on percentages of the urban acute assessment rate
 - Assessment exemptions for select provider classifications

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Initial Assessment Model Discharge Basis

- Initial SFY 2019 assessment model uses hospital FYE 2016 discharges as the assessment basis (most currently available fiscal year for all providers)
- FYE 2016 total all-payer discharges are based on the following data sources (consistent with the prior assessed FYE 2011 discharges):
 - FYE 2016 Medicare Cost Report (MCR) available in the July 21, 2017 Healthcare Cost Report Information System (HCRIS) release or hard copy cost report data from AHCCCS
 - *Worksheet S-3 Part I, column 15, lines 14, 16 and 17*
 - If an MCR with at least a 12 month reporting period is unavailable, discharges are based on total admissions reported in the FYE 2016 Uniform Accounting Report (UAR)
 - *Data for 4 providers is based on the UAR*
 - If MCR or UAR data are unavailable, discharges are based on self-reported data by the providers
 - *Data for 5 providers is based on self-reported data*
- For hospitals with a FYE 2016 cost reporting period not equal to 12 months, model discharges were pro-rated to 12 months

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Initial Draft Model Results

- *Initial draft model is for discussion purposes only, does not reflect final AHCCCS policy decisions, and is subject to change*
- AHCCCS is soliciting feedback from the provider community on the model parameters for consideration
- Model FYE 2016 discharges are included for review
 - If there is an issue in the reported discharges in the FYE 2016 Medicare cost report, AHCCCS requires the hospital to re-submit its cost report and provide a copy to AHCCCS by **October 13, 2017** in order to change the hospital's assessed discharges
 - Note discharges for providers without a 12-month cost reporting period have been pro-rated