



March 21, 2014

Thomas Betlach
Director
AHCCCS
801 E. Jefferson
Phoenix, AZ 85034

RE: Hospital Assessment

I write to address the two different models currently being discussed to disallow Medicare discharges/days from the assessment calculations. From a psychiatric hospital perspective, excluding Medicare days increases the costs of the assessment to hospitals that have a patient mix heavy on Medicaid and commercial payers. That includes Aurora Behavioral. While the eligibility requirements in expanding Medicaid are helpful, it does not eliminate charity care by any means.

Freestanding psychiatric hospitals have never qualified for DSH to cover uncompensated charity care although they are Level 1 Acute Care facilities – subject to EMTALA. Those hospitals that are heavy users of Medicare do qualify for DSH and will continue to be paid for uncompensated care going forward (through the continuation of DSH and through the expansion of Medicaid). Psychiatric hospitals will have to rely solely on the expansion of Medicaid to off-set the losses from assessment and will continue to lose on the continued uncompensated care (for those not covered by the Medicaid expansion).

If hospitals with a high Medicare mix are to be relieved from the assessment, so should hospitals that are not receiving DSH payments.

Please let me know if you have any questions regarding this position.

Sincerely,

Rebekah W. Francis

Rebekah W. Francis, JD/MBA
Aurora Behavioral Health System
Chief Financial Officer