

# Medicaid Hospital Payment Study Commission Charter

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## Study Commission Objectives

- Gain stakeholder consensus on current Medicaid hospital payment “baseline” data, including current FFS and managed care payment levels and relative payment rates by hospital and health plan.
- Discuss Medicaid’s longer-term hospital payment policy objectives, as well as Medicaid’s specific hospital payment policy and financial goals for SFY 2012. Such policy discussions shall specifically address managed care payment rates after statutory limitations expire: that is, managed care hospital outpatient payment rates post Dec, 2011; and managed care hospital inpatient payment rates post December, 2012.
- Review/discuss any alternative stakeholder-led payment reform proposals.

## Legislative Authority

RI General Law 40-8-13.4. Rate methodology for payment for in state and out of state hospital services

*“(h) The director of the Department of Human Services shall establish an independent study commission comprised of representatives of the hospital network, representatives from the communities the hospitals serve, state and local policy makers and any other stakeholders or consumers interested in improving the access and affordability of hospital care.*

*The study commission shall assist the director in identifying: issues of concern and priorities in the community hospital system, the delivery of services and rate structures, including graduate medical education and training programs; and opportunities for building sustainable and effective public-private partnerships that support the missions of the department and the state's community hospitals.*

*The director of the Department of Human Services shall report to the chairpersons of the House and Senate Finance Committees the findings and recommendations of the study commission by December 31, 2010.”*

## Membership

The Commission shall be convened by David Burnett and Elena Nicolella, as designated by DHS Director, Gary Alexander. The commission shall be comprised of representatives who are key to the design and implementation of any changes in Medicaid hospital payment policy or who hold an interest in the outcome of this discussion. Participants will include hospital, physician and health plan representatives, community advocates, legislative staff, and other interested departments of state.

## Commission Expectations, Commission Schedule

The commission will meet four times, in accordance with the following schedule. This group shall provide guidance and feedback to DHS throughout the study as recommendations are developed and discussed. All meetings will be held from 7:30-9:00am. The first meeting will be held at Neighborhood Health Plan of Rhode Island, 299 Promenade Street Providence, RI 02908, the remaining three meetings will be held at UnitedHealthcare of New England, Inc., 475 Kilvert Street, Warwick, RI 02886.

- October 18<sup>th</sup>: Background and Introduction
- November 5<sup>th</sup> : Introduce Medicaid Proposal(s)
- November 19<sup>th</sup>: Discussion and Alternatives
- December 17<sup>th</sup>: Outline set of options to consider going forward, clarify next steps

### **Conduct of Meetings**

- All meetings shall be open to the public and will be conducted by the conveners. Meetings will be conducted in compliance with Open Meetings Law.
- Agendas will be published in advance and distributed to an interested parties list.
- As the role of the Commission is advisory, meetings will be conducted in open, participatory style, inclusive of all members. Where emphasis is placed on building a collaborative process, consensus on the various issues is sought but not required.
- Commission conveners will determine under what circumstances non-members may participate in meetings.

### **Commission Guidelines**

- **The scope of work addressed by the Commission will be limited to Medicaid.** Although the statute does not refer specifically to Medicaid, the Department's authority is limited to Medicaid, and the rest of 40.8.13-4 is all about Medicaid.
- **The Commission will rely on existing datasets to support recommendations.** The Department has sound datasets on Medicaid hospital payments in the Oct. 2008 to Sept. 2009 period, especially for inpatient care. Moreover, the hospitals and health plans have already seen and analyzed much of this data. Any initiative to generate new data would not be completed in time to support the Dec. 31<sup>st</sup> deadline.
- **The Commission will address a limited number of policy questions.** Given the legislatively imposed deadline of December 31<sup>st</sup>, and the fact that statutory limitations on inpatient and outpatient payment rates expire in December of 2011 and 2012 respectively, the Commission will limit its focus primarily to managed care payment rates once these limitations expire.