

PUBLIC MEETING NOTICE
BOARD OF TRUSTEES OF THE FUND FOR HOSPITAL CARE FOR
INDIGENT PERSONS (IAF BOARD)
Nevada Revised Statute (NRS) 428.195
October 10, 2019, 1:00 p.m.

Nevada Association of Counties
304 South Minnesota Street
Carson City, NV 89703

ADOPTED MINUTES

ATTENDANCE: Chairman French, Vice Chairman Sharkozy, Pershing County Commissioner Shank, Clark County Commissioner Jones, Clark County Human Services Manager Burch and NACO Staff (Dagny Stapleton, Vinson Guthreau and Amanda Evans)

OTHER ATTENDANCE: Churchill County Social Services Manager, Shannon Ernst; Bill Welch, Nevada Hospital Association; Budd Milazzo and Sarah Lamb, Division of Healthcare Finance and Policy (DHCFP); and Chris Bosse, Renown Regional Medical Center

The meeting was called to order at 1 p.m.

1. **Public Comment.** None was given.
2. **Approval of Agenda.** The agenda was approved on a motion by Commissioner Shank with second by Vice Chair Sharkozy.
3. **Approval of Minutes for the January 30, 2019 Meeting of the Board.** The minutes were approved on a motion by Vice Chair Sharkozy with second by Commissioner Shank.
4. **Workshop on the History and Functions of the Fund for Hospital Care for Indigent Persons (IAF) Including How the Fund Works and a Summary of its Sources and Uses.** Ms. Sarah Lamb of the DHCFP gave the Board an overview of the fund, its creation and how funds flow through the program. She explained the how the property tax's collected by the counties and the unmet free care obligation for hospitals both flow into the fund. She also discussed how the State's expansion of Medicaid as a result of the Affordable Care Act (ACA) affected eligibility for the program. And she went through the uses of the fund, including the supplemental payments to hospitals, indigent accident claims, and payments to counties for their Medicaid assessments. Chairman French asked whether adjustments and changes to the ACA would affect the eligibility numbers and it was noted that the eligibility requirements for Medicaid hadn't changed since the expansion initial changes but that the number of persons who are uninsured have. Ms. Lamb and Mr. Bill Welch of the Hospital Association informed the Board that the prior to the ACA the hospitals were meeting roughly 92% of their free-care obligations, but since the adoption of

the ACA and the expansion of the States Medicaid population, that almost 100% of the obligations were not being met. Dagny clarified that before the ACA those funds were being utilized by the hospitals to provide care, but now those funds are being transferred to the IAF. Mr. Welch noted that the free care obligations by the hospitals must be fully utilized by the hospitals before they could submit bills to the counties for indigent care. He also noted that a large portion of the population that would normally fall under the free-care program are undocumented and therefore don't fall under Medicaid or the counties purview for payment as indigent. It was reiterated that the Board determines the uses of the Fund as noted above annually. Dagny gave a line by line explanation of the sources and uses document. Commissioner Shank inquired as to why the amount of unmet free care obligation hadn't been adjusted and it was clarified that the free care obligation is in statute and that the transfer of the funds to the IAF provides a substantial benefit to the hospital industry and would be further explained during the presentation. Sarah gave an overview of Medicaid funding and how the IAF funds are used. She explained that reimbursements are issued quarterly and federal funds are drawn down through the process. She explained that in 2014 the Board repurposed the Fund to annually allocate funds to the State for the non-federal share of Medicaid reimbursement. Once those funds have been determined and allocated the department then calculates the amount of total payments available to acute care hospitals. She noted that since 2014 the total issued funds has grown from \$30M to \$104M. Dagny noted that the amount allocated by the Board for transfer results in approximately 2-1 ratio of draw down from the federal government. Bill noted that prior to 2014 the program was providing approximately \$19-20M to the hospitals. During the recession the State swept the fund and when it was returned agreements were made that roughly \$10M was to be allocated to offset Washoe and Clark Counties dish payments. He also informed the Board that hospitals are only being reimbursed at roughly 57% of the cost of care and the current program is making a difference in narrowing the gap of uncompensated care. Dagny noted that the counties had experienced a 30% increase in Medicaid assessments and that costs are going up for everyone across the board. She also noted that Medicaid receives dollars from the fund to offset administrative costs not reimbursed by the federal program. Sarah next discussed the Long Term Care County Match Program. She informed the Board that it is a County-State-Federal program in which the counties provide the non-federal share of the costs of Medicaid services for those in long term care situations. She noted that the program requires participation of all 17 counties to continue operation and that the Board sets aside an amount annually to reimburse counties for those that don't meet their obligations each year. Traditionally that amount has been \$2M for rural counties to benefit from the program as well. Sarah re-reviewed the flow chart of sources and uses to ensure the Board understood the program as a whole. Dagny noted that all the counties receive a benefit from the program including Clark and Washoe who receive a reduction in their IGT transfer. Chairman French asked what hospitals are eligible for Disproportionate Share Hospital (DSH) and it was clarified that most rural hospitals are eligible, but if a hospital is not eligible for the DSH program they receive \$50K/year. Mr. Welch noted that those hospitals without an OB program were

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disqualified for DSH and those hospitals are the ones that receive the \$50/year. Dagny noted that counties in Nevada are required to provide medical care to the indigent per statute, and that this web of programs and funding are the ways that the counties are meeting this obligation while not paying for the care directly. Buddy noted that the programs are complex and the adjustments made within the Fund are to maximize the benefit for all those served under them. Mr. Welch and Dagny concurred that even the most effective leveraging of the Fund does not make all of the participants whole.

5. **Update on the Status of the Fund for Hospital Care for Indigent Persons.** The sources and uses document included in the agenda packet was reviewed and Mr. Budd Millazzo who explained how the carryover works when balancing the Fund to the State's fiscal year. He also informed the Board that a detailed audit of the Fund and its prior awards had been conducted and that previous awards that had not been credited to the counties from 2014 had been transferred. He assured the Board that DHHS' internal procedures had been stabilized. It was also noted that the sources of funding are outlined within Statute, but that the Board has discretion on how they are utilized. Dagny went over the timeline for determining the uses of the Fund. She noted that the application process for Indigent Accident Claims and reimbursement to counties for Medicaid Match for Long Term Care would be opened each Fall with Board review of the applications for approval conducted after the first of the year. Following the Board's review of those applications the amount of funding remaining in the program would be determined and the Board would meet again to discuss the approval of transfer of funds to the State for federalization and distribution to the hospitals prior to the State submitting their Medicaid State Plan Amendment.
6. **Discussion of the Next Round of Claims from Hospitals for Reimbursement from the IAF for Unpaid Charges for Hospital Care for Indigent Persons Injured in a Motor Vehicle Accident and Requests from Counties for Reimbursement from the IAF to Satisfy a Portion of the Counties' Obligation to Pay the Nonfederal Share of Expenditures for Long-Term Care Pursuant to the State Plan for Medicaid.** Dagny referenced the applications contained the agenda packet and noted the changes made to the application for counties to apply for reimbursement to their Long-Term Care Assessments at the Board's direction during their previous meeting. The application process was approved by consensus of the Board and staff was directed to determine the opening and closing dates of the process.
7. **Discussion of Future Agenda Items and Future IAF Meeting Dates.** Dagny informed the Board that claims approval would be the focus of the next agenda and that the meeting would be held in late January or early February. It was noted that staff would poll the Board for the next meeting date.
8. **Public Comment.** None was given.

Commented [AE3]: Following this there was a long conversation between Carol and Jim that I don't think should go in the minutes. It was specific to their knowledge base and how their individual hospitals do some things.

The meeting was adjourned at 2:25 p.m.

