

PUBLIC MEETING NOTICE
BOARD OF TRUSTEES OF THE FUND FOR HOSPITAL CARE TO
INDIGENT PERSONS (BOARD)
Nevada Revised Statute (NRS) 428.195
August 3, 2016, 10:00 a.m.

ADOPTED MINUTES

Attendees: (NACO Staff: Jeffrey Fontaine & Amanda Evans) Chairman French; Commissioner Michael Sharkozy, Eureka County & Commissioner Carson, White Pine County.

Other Attendees: Deb Sisco, Nevada Medicaid; Joni Eastly & Shirley Trummel, Nye County; Chris Nepper, Mineral County; Chris Bosse, Renown Regional Medical Center & Bill Welch, Nevada Hospital Association.

The meeting was called to order by Commissioner French at 10:05A

1. **Public Comment.** None was given.
2. **Approval of Agenda.** The agenda was unanimously approved on a motion by Commissioner Sharkozy with second by Commissioner Carson.
3. **Approval of Minutes for the March 18, 2016 Meeting of the Board.** The minutes were unanimously approved on a motion by Commissioner Carson with second by Commissioner Sharkozy.
4. **Update on the Status of the Fund for Hospital Care to Indigent Persons.** Jeff referenced the spreadsheet provided by the Department of Health and Human Services (DHHS) included in the agenda packet that outlines the status of the fund including projects through 2018/2019 and the sources of funding. He noted the free care obligations of hospitals that have over 100 beds and that if those obligations are not met the hospitals are required to then reimburse the counties for those costs and that there is an increase from FY 2015 to FY 2016 in those costs and how to transfer those funds to the state for Medicaid match to provide a healthy match for supplemental payments to the hospitals. He also noted that Elko County is executing a payment plan for funds due and the payments of the counties \$3K deductible for approved IAF claims due to motor vehicle accidents resulting in their being held harmless from future claims. He referenced NACO's contract to administer the program and provide staff support to the Board, he noted that an increase was requested to increase the contract by \$10K to allow for additional staff time to administer the program in the next biennium which will require approval of both the Governor and the Legislature. Jeff reiterated the priority of the Board to maximize the Supplemental Payment Program to provide Medicaid match dollars that go to the hospitals, noting that the current match is 68% and the factors are reset every October 1st. Jeff informed the Board that \$1,750,000 was set aside for IAF claims and \$2M was set aside in reserve for county match claims to offset from counties assessments from the state for long term care obligations.

5. **Review and Possible Approval of Claims from Hospitals for Reimbursement from the Fund for Hospital Care to Indigent Persons (Fund) for Unpaid Charges for Hospital Care for Indigent Persons Injured in a Motor Vehicle Accident (NRS 428.245).** Jeff informed the Board that the IAF program has been in effect for twenty years and is funded by a 1.5 cent property tax obligation. He noted that claims were requested from all counties and hospitals for claims and that due to lack of response the deadline was extended and claims were then returned. He noted that in 2015 no claims were received and that in 2014 no funds were available to pay claims. Jeff also noted that 2016 would be the first in many years that there would be enough funding available to fully pay the claims submitted if approved by the Board. Jeff informed the Board that there were a total of 13 claims submitted, 11 from Renown and 2 from UMC. He noted that of the claims submitted two were not approved to be submitted to the Board, one was previously approved in 2013 and therefore was not able to be resubmitted to the Board and the other did not have an on scene accident report as required by the NAC. Jeff noted that of the remaining cases there are two that warrant further discussion, both from Renown. The first is an individual that was treated, released and then passed away. This case does not have the required assignment of benefits or release information as required by NAC. In the second case the file includes no release of information, the individual is currently incarcerated and that Renown representatives are working toward obtaining the signed release with the California Department of Corrections. Jeff noted that in working with Renown on the claims a federal regulation was provided that would allow the hospital to release information if it has to do with treatment, payment and healthcare information protected under HIPA. Jeff noted that if the Board is comfortable with the regulation provided the one case could be approved and in the case of the deceased person lacking the assignment of benefits a representative of Renown will speak to the matter. Chris Bosse from Renown Health inquired as to lack of the information and it was clarified that the deceased patient's application was completed after the death and the application contained no patient or next of kin signatures and it was further clarified that nothing was provided showing that the patient assigned their benefits to the hospital. She reviewed the federal law provided and its allowance for the hospital to release the information. Commissioner French inquired as to how the claim in question is different from the other claims received. Jeff noted that processes have changed over the years due to sweeping of the fund, the ACA etc., but that there is a page in the application that requires two signatures, one assigning benefits and one allowing release of information. He noted that the federal regulation appears to cover the release of information but that there is not a known regulation covering the assignment of benefits. Commissioner French noted that if all the documentation is available not presented that the Board would have an obligation to approve the claims in question with the caveat that the documentation be provided prior to payment. Ms. Bosse inquired as to an alternative to waive the requirement for the assignment of benefits requirement in the case of the deceased person as they are no longer able to intend or balance financial responsibilities. Commissioner Carson noted concern with regards to the use of the federal regulation and as to if there is a family member of the deceased who could assign the benefits and questioned moving forward. Commissioner French echoed Commissioner Carson's concerns and inquired as to the appetite of the Board to move forward with conditional

approvals on the two claims and Commissioner Carson stated that she would be comfortable with Commissioner French's idea of moving forward with conditional approvals as long as the information in question was provided. Jeff reiterated that there are sufficient funds to approve all the claims submitted including those in question, that the approvals are forwarded to the state and the state then sends checks to the hospital in payment of the claims and inquired as to how the encumbrance of the funds would work for the state. Deb Cisco informed the Board that DHHS would need to be contacted but that she believes it is possible to do. Ms. Bosse asked for clarification on the approval and it was noted that the funds would be encumbered on the two claims and that once documentation was provided on the claims the funds would be released. Commissioner French suggested approval of the claims submitted including the two in question with the caveat that the missing documentation be provided by Friday September 2nd, Commissioner Carson concurred with Commissioner French's suggestion and that the Board would rely on staff to make the determination that the appropriate information was received. Jeff also noted that per NAC claims must be certified as indigent within two years and submitted to the IAF within 30 days of certification, and that at least five of the claims fall outside of those requirements, but the Board does have the opportunity to waive that requirement. Commissioner French stated that because the Fund was swept in the legislative process that the impression of the hospitals was that there were no funds available so the hospitals didn't submit claims and that there is justification to waive that requirement and since the funding is available to make those institutions whole. Commissioner Carson moved to approve all of the claims submitted to the Board with the caveat that the two missing pieces of documentation would only be funded upon submission of the necessary information by September 2nd and the waiver of both the certification of indigency and application submittal timelines for the claims outside of those requirements. The motion was approved unanimously on a second by Commissioner Sharkozy.

6. **Review and Possible Approval of Claims from Counties for Reimbursement from the Fund for Unpaid Charges for Hospital Care in Excess of \$25,000 which have been Incurred by a Person Certified as Indigent by a Board of County Commissioners or Supervisors (NRS 428.209).** Jeff reviewed the fact that the Supplemental Fund is a historical piece of the overall Fund and that funding is provided by a penny property tax assessment and is intended to provide relief to the counties for indigent medical care in excess of \$25K of billed hospital charges as a payer of last resort. He noted that in years past the Board was able to approve payment of a percentage of costs and that when the Fund was swept that the Board was unable to pay those claims. He noted that in 2013 when SB452 was enacted that the bill repurposed the assessment to go directly to the State to offset a portion of the intergovernmental transfers of Clark and Washoe Counties and the penny assessment is no longer available to pay these claims. He noted that based upon the action taken in item 5 there is a balance of \$117,224.11 in the IAF that could be used to pay Supplemental claims. He informed the Board that the claims received total \$1,895,018.75 and if the remainder of the IAF was used to pay the claims the reimbursement would be roughly six cents on the dollar or the Board could roll over the funds for use to leverage federal Medicaid match funds increasing the remaining funds by roughly \$3 dollars for every \$1 rolled over, which

would benefit all hospitals. Commissioner French noted that rolling the remaining funds over it roughly turns \$117K into \$351K dollars and it is more beneficial to the hospitals as a whole. Commissioner Sharkozy moved to approve the claims but decline payment due to funding and roll the funds over to leverage the State Medicaid match program. The motion was approved on a second by Commissioner Carson.

7. **Review and Possible Approval of Requests from Counties for Reimbursement from the Fund 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 (NRS 428.206).** Jeff reminded the Board that they had previously set aside a balance of \$2M every year to assist counties in paying their obligation to the State for the Medicaid match program. He noted that every county participates in the program through an Interlocal agreement or the program will cease to exist. He noted that the Board approved the criteria of approval of claim approval and that they were affirmed at the March meeting of the Board. Jeff noted that requests were sent for applications and applications were received from three counties. He also clarified that applications are based on expenditures for FY14/15 because of the county budget process and lagging revenue and audit certifications. Jeff gave the Board a synopsis of the application received from Mineral County, noting that their claim was approved the previous the previous year and directed the Board to the application included in the agenda packet. He also noted that the County has a contract with Mount Grant General Hospital to provide services and that the county's property tax is set at the maximum as is their indigent property tax and recommended the Board approve their claim and send notice to the State to credit the County for their current assessment. Commissioner Carson requested clarification and Jeff informed the Board that the expenditures of the County exceed the revenues realized by the indigent property tax levies by just over \$30K and that if approved the State would credit the County for the difference in expenses vs. the revenues received. Mineral County's claim was approved on a motion by Commissioner Sharkozy with second by Commissioner Carson.

Jeff reviewed the claim submitted by Carson City which included indirect expenditures and that they are at the cap on the indigent tax levy but not at the cap of the overall tax. Because they included indirect expenditures he requested clarification on salaries based on previous action of the Board approving salaries but not overhead. Of the three positions included in the claim he received a breakdown of the duties and that 10% of the duties of the three positions are spent outside of areas that would be covered by the fund. Jeff recommended the approval of the claim for direct expenses and 90% of the salaries submitted within the claim for a total approved claim amount of just over \$292K. Commissioner Sharkozy clarified that the primary function of the employee wages included in the claim are in support of areas that give benefit to indigent medical care. Commissioner Carson noted that she was concerned with setting precedent by paying indirect expenses and Jeff clarified that the Board approved indirect expenses of salaries only with no capture of overhead or time spent on other duties. Carson City's claim for direct expenses and 90% of the direct duties of the three submitted salaries was approved on a motion by Commissioner Sharkozy with second by Commissioner Carson.

The third and final application was submitted by Nye County and Jeff gave a brief review of the application and noted an error on the spreadsheet and corrected the direct indigent medical expense amount. Jeff noted that the application included indirect expenditures for personnel costs and referred to the breakdown of the duties included in the agenda packet. It was noted that benefits were included in the indirect costs which were not included in the approval of Carson City's claim and that they should then not be included in Nye County's claim. Jeff noted that the county was approved for reimbursement the previous year and that this year their indigent medical expenses were reduced by the offset received by the Board the previous year and that their inmate medical expenses were less. He also noted that without the indirect and hospital expenses outlined in the claim the county would not be eligible for credit. Jeff informed the Board that he suggested the County include expenses for the loan of funds to the now closed hospital in Tonopah, and while they could not document on a case by case basis an estimate was provided based upon the amount of the population that would be eligible for indigent medical care in the county. He clarified that an eligible claim was contingent on the Board's consideration of the loan provided to the hospital being considered an indigent expense. Joni Eastly noted that she and Shirley Trummel were available to answer any questions and clarified that the funds provided to the hospital came wholly from a healthcare endowment fund and the county gifted not loaned all the money in the fund to support the facility. Commissioner French requested clarification on the overhead costs related to the indirect employee costs included in the application and Ms. Trummel indicated that she would need to obtain information from their HR department to obtain the figures related to benefits or annual leave. Jeff clarified that the application figures did not include benefits only annual/sick leave accumulation. Commissioner French inquired as to if the information necessary was readily available or if they needed some time to gather the information and it was noted that the information would need to be provided by their HR department and would take a little time. Jeff again noted that if the gift to the hospital is in consideration by the Board that the county's application would not meet the criteria for approval. Commissioner French stated that he believes the claim supports the full amount of direct expenditures including the portion of the hospital costs and indirect expenditures less the amount of annual PTO accrual. Commissioner Sharkozy moved to approve the claim including the amount related to the gift to the hospital and indirect expenses related to only the salaries of the employees, the amount to be determined upon the receipt of the necessary documentation regarding to PTO amounts to staff and upon receipt of the information staff will communicate with Chairman French for final approval. The motion was approved with second by Commissioner Carson.

Commissioner French noted that there is a need to consider changing the meeting dates of the Board to better align with the FY dates and the completion of the audit cycle to allow the counties to have the freshest data for the supplemental fund calculations. Jeff clarified that the applications are a year behind and if the dates are changed the counties could potentially lose a year or capture FY16 credit. He also noted that the discussion is not agendaized and therefore could not be taken action on. Commissioner Carson

suggested a one agenda item meeting potentially in December to address the date cycle issues.

8. **Public Comment.** None was given.

The meeting was adjourned at 11:55A on a motion by Commissioner Sharkozy with second by Commissioner Carson.