

**BOARD OF TRUSTEES  
OF THE FUND FOR HOSPITAL CARE TO INDIGENT PERSONS  
NRS 428.195**

**Teleconference Meeting**

**March 18, 2016 - 9:00 a.m.**

**UNADOPTED MINUTES**

**Attendance:** (NACO Staff; Jeff Fontaine, Dagny Stapleton, Amanda Evans) Humboldt County Commissioner French, White Pine County Commissioner Carson, Eureka County Commissioner Sharkozy and Clark County Commissioner Weekly

**Other Attendees:** Bill Welch, Nevada Hospital Association; Jessica Colvin, Clark County Comptroller; Yolanda King, Clark County CFO; Elyse Monroy, Governor Sandoval's office; Sarah Spolen, Nevada Division of Healthcare Finance & Policy and Debra Sisco, Nevada Division of Healthcare Finance & Policy

1. **Public Comment.** None was given.
2. **Election of the Chairman and Vice Chairman of the Board of Trustees.** Commissioner French was elected Chairman on a motion by Commissioner Sharkozy with second by Commissioner Weekly. Commissioner Carson was elected Vice Chair on a motion by Commissioner Weekly with second by Commissioner Sharkozy. Both motions were approved unanimously.
3. **Approval of Minutes of the June 17, 2015 Meeting of the Board of Trustees.** The minutes were unanimously approved on a motion by Vice Chair Carson with second by Commissioner Sharkozy.
4. **Overview of the Fund for Hospital Care to Indigent Persons (Fund) and Update on the Status of the Fund including; Fund Balances, Transfers and Claims for Reimbursement.** Jeff gave an overview of the history and evolution of the program. He noted that it is a statute based fund started in 1983 because hospitals were billing (according to statute) counties for treatment of indigent and/or non-Nevada residents for injuries incurred during vehicle accidents within the counties. The fund was established as a "stop loss" program by having a 1 ½ cent property tax that went into a pool which was administered by NACO for payment to the hospitals to help offset the costs incurred, once those claims were approved and paid the counties liability is was then negated. Jeff continued with the evolutionary history of the program to include other costs accrued due to indigence and the legislative changes to include the leveraging of an additional penny tax for the Supplemental Fund, which was used to pay for hospital care which the counties were being billed for. In 2008 at the beginning of the impacts of the recession the legislature swept the fund, which at the time was between \$25-28 million per year, and was swept each fiscal year through 2012. He noted that some years there was a small balance for funding claims and others there were none. Both NACO and the Hospital Association lobbied for return of the funds and in FY2013 the funds were returned. Due to the ACA and changes in need the legislature enacted SB452 in 2013 which repurposed both the IAF and Supplemental Funds. The changes include the penny tax which previously went into the Supplemental Fund now goes directly to the State to reduce a portion of the Intergovernmental Transfer paid by Clark and Washoe counties. The 1 ½ cent tax can be used to leverage Federal Medicaid dollars which (about 65%) are then allocated to hospitals for supplemental payments. In addition the bill allowed a portion of the funds for counties to leverage their portion of Medicaid match requirements for long term care as well. The Bill also allowed for an additional revenue stream known as the 'free care obligation' which requires hospitals over 100 beds to provide a certain percentage of charity care or they must pay a certain amount to the counties. Jeff noted that that revenue stream has grown and is the main subject of the inter-local agreement to be discussed later in the agenda. He noted that the decisions including how much is transferred, how much is left for the individual programs are made by the Board and that after the enactment of the Bill the Board met and the policy decision was to maximize the IAF account including the free care obligation to bring in as many Federal Medicaid dollars as possible and to preserve \$2million for the counties to seek reimbursement for their match requirements and to pay the contract for NACO to administer the Fund. Jeff also noted that here was a change in the make-up of the Board from five Commissioners to four Commissioners and a County Social Services Director, all of whom are recommended by the NACO Board of Directors and appointed by the Governor. Jeff concluded his remarks with the fact that at its peak the program was distributing roughly \$28 million (8-10 million dollars in vehicle

accidents with the remainder being prorated on supplemental claims which totaled between 60 and 100 million dollars) and that the fund allocation was consistent with need, where the individuals were treated, and where the funds were collected.

5. **Approval of an Interlocal Contract with the Nevada Department of Health and Human Services to Transfer from the Fund an Amount Equal to the Reduction in State Savings Received in the Inpatient Non State Government Owned Upper Payment Limit Supplemental Payment Due to Any Increase in the Indigent Accident Fund State Share Above \$14,745,692 Per Year Not to Exceed \$3,100,000, and Authorize the Executive Director of the Nevada Association of Counties to Sign the Contract on Behalf of the Board of Trustees.** Jeff reminded the Board that the goal of the IAF is to maximize the monies in the fund to bring in additional Federal Medicaid dollars and that the free care obligation amount has grown significantly from roughly \$2 million to approximately \$14 million for the current fiscal year. Should the Board wish to continue the policy of leveraging the fund to the fullest extent to bring in Federal Medicaid dollars the State Department of Health and Human Services will be required to amend the State Plan Amendment for Medicaid to include the new free care obligation revenues. Jeff noted that it is a lengthy process which includes a public hearing and collaboration with other agencies. Commissioner Weekly inquired as to who would complete the process. Jeff said that NACO will participate in the process as necessary but the State will be the leader on the project. Commissioner Weekly asked for Jeff's recommendation and Jeff said that it will be a benefit to hospitals and to the counties in the form of additional funds directly to hospitals and the reduction of Inter-Governmental Transfer (IGT) payments for those counties that make those payments, and that he would recommend approval of the agreement. Commissioner Weekly expressed that Washoe and Clark counties will be in a better position for budget maximization and support of the rurals and he supports the agreement. Jeff continued to clarify the purpose of the contract being before the Board is that in order to use the increase in the free care obligation amount and additional Federal Medicaid dollars the State would have a reduction of \$1,033,000 per year over the next three years that was not budgeted for and is a result in a reduction of the upper payment limit and that Clark County's IGT will be less and therefore to make the State "whole" a transfer of the amount from the Fund would be required. Commissioner Carson inquired as to where the funds come to give the state. Deb Sisco from the State of Nevada Division of Healthcare Finance and Policy explained that when the IAF was implemented the State was able to absorb an impact of up to \$14 million, as the impact has nearly doubled the State can no longer absorb the full impact. Jeff noted that the fund would be reduced by the \$1,033,000 but would be held harmless by reducing the amount in the State Plan Amendment. Yolanda King, Clark County CFO inquired as to what the estimates would be for University Medical Center (UMC) in additional supplemental payments. Ms. Sisco stated that current estimates would be roughly \$80 million being distributed to hospitals and the UMC receives a large share of those funds. Bill Welch clarified that when combining the supplemental payments with free care obligation the estimate would be roughly \$17 million going to UMC and that the new contract basically doubles payments to hospitals. The closing of the gap between Medicaid and Medicare payments reduces the amount the counties must pay to the State in IGT. The projected shifting of where funds come from will result in zero net benefit to UMC but greatly reduces what Clark County pays in IGT in excess of funds received. Ms. King inquired as to if other hospitals would receive benefit and Ms. Sisco stated that all hospitals that are eligible to participate in the IAF program would continue to receive a small supplemental payment. Ms. King noted concern with the fact that UMC paid \$1 million into the free care obligation fund and if the Hospital Association would be open to having the statute changed to not have UMC pay the obligation and Mr. Welch stated that they would be open to talking about that, as well as reiterated that UMC receiving a higher daily Medicaid and Medicare rate and looking at UMC and Clark County as a package there is a benefit, while it might not be directly to UMC, Clark County would pay a reduced IGT. Commissioner Sharkozy asked if each county would pay less per year and Jeff clarified that Clark County would pay \$1 million less per year in IGT and he is unsure of an effect of Washoe and that the rural counties obligation is satisfied by the penny tax going to the State directly. Chairman French inquired as to the history of the free care obligation. Mr. Welch reiterated that private hospitals were not making equal indigent services obligations and that resulted in a 0.60% calculation of their revenues must be met in free care obligations before they could submit request for funding from the Fund. The ACA doubled the Medicaid population and therefore there are fewer people able to meet the qualifications for the required percentage of free care obligation. Commissioner Weekly moved for approval of the contract with the condition that the State work with Ms. King on how it could potentially harm UMC, Vice Chair Carson seconded the motion and it passed unanimously after it was amended by Commissioner Weekly to include the direction for Jeff to sign the contract. Mr. Welch also noted that the Hospital Association will participate in the discussion with Ms. King.

6. **Discussion and Possible Action regarding the Factors Used by the Board of Trustees in Determining whether to Approve a Request from a County for Reimbursement from the Fund to Satisfy a Portion of their Obligation to Pay the Nonfederal Share of Expenditures for the Medicaid Match Program for Long Term Care (NRS 422.272).** Jeff noted that one of the uses of the Fund is for the counties' voluntary contributions to the State for the Medicaid match program for long term care. He clarified that in order for the program to be approved every county must participate. He explained that the amount the counties are contributing have increased due to the decrease in income level required for participation and the current estimated county obligation is about \$8 million per year. He noted that there is an annual reserve of \$2 million for payment of claims. In the years the Board has considered claims there were only a few approved, one in 2014 for Carson City and two in 2015 for Mineral and Nye counties. Jeff addressed the application included in the agenda packet and the factors utilized to consider approval. He noted that the program has no regulations as to the administration that it is done by the policy of the Board. He noted that statute has a property tax cap of 11 ½ cents for indigent care and that leaves a total of 9 cents available for county obligations. In some counties their obligations exceeds the cap and that after the obligation to pay the state for the Medicaid match there is a lack of funds for county use for long term indigent care. He outlined some of the requirements of counties to provide other services under their indigent medical levy and that if counties don't have the funds coming in from the levy they use either general fund revenues or forgo services. He also noted that administrative costs have previously been included in reimbursement requests and that the policy of the board had previously been that if those costs can be related specifically to the delivery of programs and not overhead, that those costs have been reimbursed. He noted that some counties are in dire financial straits and that the purpose of the program is to assist those counties to provide these services. Jeff noted that the application would go out to the counties in April or May for a Board meeting in June or July to consider claims. Discussion from the Board included the need to ensure that it is clarified on the application that overhead, clerical and part time salaries etc. are not included in the request for reimbursement. Commissioner Sharkozy inquired as to if parts of applications are able to be chosen for payment. Jeff clarified that staff reviews all applications and that the decision for reimbursement must include all factors and not solely on whether the county fully leverages their taxing amount. Chairman French noted that any requests for administrative reimbursement must be direct costs and have back up, with the concurrence of all members of the Board. The application was approved per the addition of the requirements for administrative reimbursement on a motion by Commissioner Sharkozy with second by Vice Chair Carson.

7. **Public Comment** – None was given.

**Adjournment** – The meeting was adjourned on a motion by Commissioner Sharkozy with second by Commissioner Weekly.

BOARD OF TRUSTEES OF THE FUND FOR HOSPITAL CARE TO INDIGENT PERSONS  
(BOARD)

Nevada Revised Statute 428.195

June 17, 2015

MEETING MINUTES

Attendance: (NACO Staff: Jeffrey Fontaine and Amanda Evans) Chairman, Pershing County Commissioner Pat Irwin; Clark County Commissioner, Lawrence Weekly, White Pine County Commissioner, Laurie Carson and Washoe County Social Services Director, Kevin Schiller. Other Attendees: Yolanda King, Clark County CFO; Shirley Trummell, Nye County Social Services Director; Bonnie Long, Nevada Department of Health & Human Services; Elaine Zimmerman, Lincoln County Grants Administrator; Brenda Jones, Mineral County Deputy Clerk/Treasurer.

1. Public Comment. Please Limit Comments to 3 Minutes. None was given.
2. Approval of Agenda. The agenda was approved on a motion by Commissioner Weekly with a second by Commissioner Carson.
3. Approval of Minutes for the July 23, 2014 Meeting of the Board. The minutes were approved on a motion by Commissioner Weekly and second by Mr. Schiller.
4. Update on the Fund for Hospital Care to Indigent Persons including the Transfer of Money to Make Supplemental Payments to Hospitals, Relevant Legislation Enacted in the 2015 Legislative Session, and the Status of Board Members.

Jeff announced that the State Department of Health & Human Services is moving forward with an amendment to the State Plan for Medicaid that will transfer roughly \$8 million from the Indigent Accident Fund, which was the same amount transferred from the previous year. It also includes an increase in the amount of free care obligation funds to Clark and Washoe counties of 3.4 million dollars which will be available for supplemental payments to hospitals. The remaining amount is \$2 million dollars which is set aside for payment of claims in agenda item 5. A meeting will be scheduled for late summer/early fall to process Indigent Accident Fund claims. Jeff also noted AB41 which was passed through the Legislature and signed by the Governor in the 2015 Session allows for the carry forward of the IAF funds to the next fiscal year and a change in the timing for claims processing for a whole fiscal year. It also removes hospital assessments because it raised concerns with the Center for Medicare and Medicaid Services and how those funds would affect the State Plan Amendment. Jeff also discussed the expiration of the current terms of the officers of the Board. He noted that the NACO Board made nominations for the Governor's review. Until the Governor's office makes new appointments/reappointments the current Board will remain active.

5. Review and Approval of Requests from Counties for Reimbursement from the Fund

for Hospital Care to Indigent Persons 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 clarified that the funds available for these expense reimbursements is a maximum of \$2 million and that the only county which was approved for reimbursement last year was Carson City. There were four applications submitted for reimbursement from Nye County, White Pine County, Mineral County and Lincoln County. White Pine County's application was the first to be summarized. The county had expenses of \$189,000 in Medicaid match expenses coupled with some additional indigent care expenses for a total of \$228,535.00. The county is at the property tax cap and also levels the maximum indigent tax rate. He also noted that the funds collected were sufficient to cover the expenses and therefore is not eligible for reimbursement. Jeff did note that due to inmate costs expenses are expected to increase for the next review. Lincoln County was the next to be reviewed. The county is also at the maximum overlapping tax rate and tax levy. Their total payment to the state for the Medicaid match program was \$111,706.21 with additional expenses for a total of \$123,178.00. Their application shows that their tax levy revenue was \$88,315.89. What was unclear is why they were invoiced for more than what their maximum levy rate raised. Jeff recommended reimbursement authorization at a maximum of \$34,862.21 and minimum of \$11,471.00 depending on the outcome of the research being done to determine the reason for the discrepancy between the invoiced amount and the actual amount of funds received through the levy.

Mineral County had verified expenses of \$131,639.48 which included the \$28,000 contract with Mount Grant Hospital for indigent care. Their revenue for FY 2013/2014 was \$101,979 for a difference of \$29,660. Jeff recommended full reimbursement of the difference. Nye County submitted a revised application that included administrative costs. It was determined that they had a total of \$1,095,897 in expenses which included administrative costs of approximately \$176,069.00. The county is at the tax cap and indigent levy rate. Their revenues totaled \$787,561. The difference including administrative costs is \$308,336, without is \$130,267.

Jeff noted that there was sufficient funding available to reimburse all counties at their full request. Commissioner Weekly inquired as to the historical basis for reimbursement of administrative costs. Jeff clarified that it was only the second year of the program and that administrative costs for Carson City were not reimbursed the previous year. Clark County CFO, Yolanda King inquired as to the background for the administrative costs and Nye County Social Services Director Trummell explained they were determined at a percentage of salaries (one at 100% and graduating percentages of four others) of employees who worked on medical indigent programs and a percentage of utilities. Commissioner Weekly expressed concern with setting a precedent for reimbursement of administrative costs and Jeff explained there was no hard rule for reimbursement and that the program's intent is to provide relief to the counties at the discretion of the Board. Commissioner Weekly asked if the other counties were aware they could request reimbursement of administrative costs noting concern in the equity of the applications. Jeff stated that it was on the application and that administrative costs were not submitted by Lincoln or Mineral counties but was included on the application

from White Pine County. Commissioner Irwin stated that his recollection for not reimbursing Carson City's administrative costs for FY 12/13 was due to a lack of funds rather than the setting of a precedent. Ms. King expressed concern with the reimbursement of administrative costs because calculations would be compiled differently from county to county and that it was not clear what was requested from Nye County for a 100% employee vs. the percentage of partial time spent by others and that it would reduce the amount to be carried over for payments to be made the following year. Commissioner Carson moved to approved reimbursement for Lincoln County at a maximum of \$34,862.21 and minimum of \$11,471 pending the outcome of the investigation noted above and Mineral County in the amount of \$29,660. Commissioner Weekly seconded the motion and it was approved unanimously. Commissioner Weekly shared the concerns of Ms. King on the reimbursement of Nye County's administrative costs noting it was a significant amount and Commissioner Irwin inquired as to the breakdown of the administrative costs. Ms. Trummell explained that the requested was compiled as follows: 1 full-time employee -\$81,340.00; one employee at 50% - \$23,531; one employee at 35% - \$20,656; one employee at 10% - \$1,747; one director at 30% - \$43,024.00 and utilities - \$7,771.00. Commissioner Irwin stated that the reimbursement of the full time employee made sense with what was done in the past and in keeping in mind the carryover of funds. Commissioner Weekly moved for reimbursement of the \$130,267 in Medicaid match costs and for the full time employee at \$81,340.00 for a total reimbursement to Nye County of \$211,607.

Commissioner Carson seconded the motion and it was approved unanimously.

#### 6. Public Comment.

Ms. Zimmerman, Ms. Trummell and Ms. Jones thanked the Board for their time and efforts. The meeting was adjourned by Chairman Irwin.

BOARD OF TRUSTEES OF THE FUND FOR HOSPITAL CARE TO INDIGENT PERSONS  
(BOARD)

Nevada Revised Statute (NRS) 428.195

July 23, 2014, 1:00 p.m.

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

Meeting Minutes

**Attendance**

Board Members: Commissioner Lee Bonner, Douglas County; Commissioner Pat Irwin, Pershing County; Commissioner Lawrence Weekly, Clark County; Kevin Schiller, Washoe County. Others: Jeff Fontaine, NACO; Dagny Stapleton, NACO; Elyse Monroy, NACO; Yolanda King, Clark County; Nick Provedenti, Carson City; Mary Walker; Chris Bosse, Renown Regional Medical Center; Dwight Hansen, Nevada Hospital Association; Leah Lamborn, Division of Health Care Finance and Policy.

**1. Public Comment.**

Dwight Hansen, Nevada Hospital Association, said that their perspective is that we know that the claims here meet the criteria of the Indigent Accident Fund (IAF), but that there are still a lot of questions about the funding, how much is available and how everything will be distributed. He encouraged the Board to not make any funding decision today, because there is still so much unknown, including approval of the State Plan Amendment and that a number of counties haven't reported their property tax revenues yet.

**2. Approval of Agenda. For Possible Action**

Commissioner Weekly moved to approve the Agenda for the July 23rd meeting of the Board of Trustee of the Fund for Hospital Care to Indigent Persons. Commissioner Irwin seconded the motion. Motion carried unanimously.

**3. Approval of Minutes for the May 29, 2014 Meeting of the Board. For Possible Action.**

Commissioner Weekly moved to approve the minutes of the May 29th meeting of the Board of Trustee of the Fund for Hospital Care to Indigent Persons. Commissioner Irwin seconded. Motion carried unanimously.

**4. Update on the Implementation of Senate Bill 452 Enacted in the 2013 Legislative Session which Revises Provisions Governing Assistance Provided to Indigent Persons.**

Jeff Fontaine told the Board that one of the elements of SB 452 was to allow the Board to approve a transfer of a portion or all of the IAF funds to be used for additional Medicaid match funds. The Board made this decision in August of 2013 and affirmed the decision during its May meeting. Jeff explained that the Board previously moved to have \$60,000 of the IAF funds available for NACO's administration contract and that an additional \$2 million would be set aside for counties to access for Medicaid match program and the remainder would be used for supplemental payments to hospitals.

Jeff went on to say that since the August 2013 meeting, the state has been working on trying to get the State Plan Amendment (SPA) approved but that they are still waiting for information from the regional Centers for Medicare and Medicaid Services (CMS) office.

Jeff then discussed the issue of the fund revenues. He told the Board that the total for the year, from the penny and a half ad valorem tax is \$11,356,537. He added that the State is still waiting on 4th quarter payments from 5 counties; Carson City, Douglas, Elko, Lander, Lincoln, Lyon and White Pine, and that 4th quarter payments have been received from Washoe County and Clark County.

He also went on to say that there is still funding that needs to come in from counties for IAF claims that were approved from last fiscal year, explaining that every county has a \$3,000 deductible for each claim that is approved, so we are still waiting on \$72,000 from the counties. This will be added to the total fund amount. Jeff told the Board that the other revenue source is the free care obligation payment, which is only made in Washoe County and Clark County. Jeff said that as of the date of the meeting the total revenue in the Fund for the three programs: Medicaid match for long term care, traditional IAF claims, and the supplemental payments to the hospitals is \$13,184, 936. The NACO Administration fee has already been paid.

Ms. Lamborn told the Board that the Office of Health Care Finance and Policy is stuck on looking at the impact of this decision. She said that they continue to answer CMS' questions. She said that she was hoping the removal of the hospital assessment would take care of their concerns, but it hasn't. She went on to say that she believes that this should be their last round of questions from the regional office. It will then go to the Central CMS Office, and when it gets to that office, there could be another set of questions.

Jeff commented on discussion that took place at the last Board meeting regarding concerns over the possible reversion of half of the funds in the IAF to the State's general fund. He told the Board that Department of Health and Humans Services staff believe that money will still be available for the next fiscal year and will balance forward. Ms. Lamborn told the Board that the Director's office did transfer over the \$11.2 million, the amount identified in the current State Plan Amendment draft, for the federal share of the UPL Payments/Supplemental Payments. She explained that they believe they will be short on the \$2 million for the county match but that they will transfer the \$1.6 million.

Commissioner Weekly asked Ms. Lamborn for clarification on the SPA approval process, wondering if there would be a way to bring the State, the IAF Board, the Regional CMS office, and the Central CMS office together in one meeting in order to figure this out. She responded saying that meetings like that have happened in the past, but that she is hesitant to try that at this



point as they have found that too much information leads to additional questions. She went on to say that if their request continues to come back with questions that this might be something they would consider.

Jeff told Commissioner Weekly that this process has taken a long time, but that everyone is in agreement that we want to continue down this road, but that the other options have been discussed. Those options include; the Board doesn't try to get the SPA approved and then they take the \$11 or \$12 million available, not use it for match, and have the Board go back to just paying IAF and whatever is left for Supplemental claims as it has historically. Commissioner Weekly said that Clark County's finance director might want to address this issue and have this conversation and come back with what they think is best from their county. Yolanda King told the Board that her immediate concern is UMC doesn't miss out on any funds, and they would have to make sure that if the \$11 million that is being leveraged would bring more funds to UMC.

Commissioner Bonner asked for clarification on whether or not a decision needs to be made today or before the end of the fiscal year. Jeff said that as the funds will be carrying over to the next fiscal year, they do not need to be allocated today, so a decision does not need to be made.

**5. Review and 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). For Possible Action.**

Jeff told the Board that each of the filed claims have been reviewed for eligibility based on requirements set forth in Nevada Revised Statute and in Nevada Administrative Code 428. He noted that most of the claims are for individuals in Clark. He went on to tell the Board that the total amount of claims is \$5,695,062. Jeff said that this is typical of what this Board has seen in the past.

He went on to tell The Board that eligible claims are ones that have occurred at the hospital within the last two years, unless the time is waived by the Board. He noted that there were 5 claims submitted before the two year period.

Jeff then told the Board that under NAC 428 hospitals then have to submit their request for certification of indigence within 30 days. He said that practically all of these claims did not meet that requirement, saying that since the Fund was swept this Board only meet once a year to process the claims, so they thought it would be best to have them submitted at one time, as opposed to have them trickle in. Jeff told the Board that both of these requirements have been waived in the past. Jeff told the Board that they have several options; the Board can approve the claims as submitted and defer action on payment pending approval of the SPA, the Board can take an action to approve the claims and then decide to meet later to carve out money from the IAF to actually pay the claims, or the Board can approve the claims and then send the invoices to the counties and then meet later to decide if you want to make a payment. Jeff told the Board that regardless of what action is taken on the claims, his recommendation would be to also authorize the two waivers.

Mr. Kevin Schiller made a motion to move forward with the two year waiver and the waiver on the 30 days. Commissioner Irwin seconded the motion. Motion carried unanimously.

Mr. Schiller told the Board that in his experience the State's process trying to get the SPA amended is typical and that they just need to have patience for a longer term pay off, and that if the hospitals are in agreement with that, his perspective is that this will help get much needed revenue back to the hospitals, and that waiting for the long term pay off will be a good thing.

Commissioner Bonner clarified the process saying that first they need to accept the claims, and then they would agree on how and if they would pay them.

Commissioner Irwin asked if the total amounts on the hospital, or other provider bills, are negotiated down. Ms. Chris Bosse explained to Commissioner Irwin how the insurance billing process works, saying for example that sometimes an individual will have partial coverage, and then they drop off, and then the remainder of the time they are in the hospital is billed in full.

Commissioner Irwin moved to approve the IAF Claims. Kevin Schiller seconded the motion. Motion carried unanimously.

Commissioner Bonner noted that the precedent has long been set that the Board wants to pay the hospitals, but there is a question from Clark County about whether or not that decision should be made now or not.

Commissioner Weekly said there has been a lot of change and lots of moving parts in both Clark County and at UMC, so they need to have a conversation about what might be best for Clark County and UMC as they are in need to help. He went on to say that he doesn't feel like he can make this decision today as a number of people need to be part of the conversation.

Jeff reminded the Board that a year ago they made the decision to pursue the SPA, and that at some point the Board will need to either decide to stay in and move forward or to stop trying to pursue the SPA. He said that if the Board isn't interested in getting more Medicaid dollars the state needs to know soon.

Ms. Lamborn told the Board that that effective date of the SPA will be January 1, 2014 so that will be the effect date for the payment of claims. She went on to say that if it is approved the Board will have to go back and pay claims from the nonfederal share, which is currently the \$11.2 million. She explained that the State does not have the flexibility to withdraw the amendment and resubmit. She did say that the State can reduce the \$11.2 million down for the first year, however the Board needs to remember that if they put in \$11.2 million dollars the gross amount going out will be \$30 million. She also noted that if this is approved the Intergovernmental Transfer (IGT) payment that Clark County is currently making will then be paid from the IAF, which would save Clark county \$2 million. Jeff reminded the Board that under SB 452 they can back out of this and revert to how the things used to be done if they decide that it is not working out.

Ms. King told the Board that she believed that that they should stay on course as a lot of time has been put in to this and that they are glad there is an op out clause if they need to. Commissioner Weekly said it is not their intention to try and interrupt the process but they want to make sure that they make good solid decisions.

Mr. Schiller noted that this could be looked at as an investment and that he recommends that the Board stay the course, he recommended that the Board get a status update within 60 days on whether or not the SPA have moved to CMS Central Office so all the stakeholder know where the SPA is going on in to the next meeting.

Commissioner Bonner opened the floor for public comment.

Ms. Chis Bosse said that she believed that going forward hospitals are going to see more holes in the Medicaid realm and that will be an issue due to the under-funding that is there. Saying that a maximization of the funding to go to backfill where they are going to see more patients then they ever have before will be very helpful to the hospitals as they expect to generate huge losses without a program like this.

Jeff reminded the Board of the course that they are on saying that the Board would have all the available funding in the account, the penny and a half property tax revenue and the free care obligation in Clark and Washoe from which the \$2 million set aside would be deducted this year for the county Medicaid match program, and then the remainder going to the SPA. He went on to say that this course was originally based on the hospital assessment account which can no longer be done and more recently based upon the projection that there would still be some money available to pay IAF claims. He told the Board that if it stays the course they would eliminate any IAF or supplemental payments and they would have two expenditures; \$2 million for the county Medicaid match program and the reminder for the SPA.

Kevin Schiller moved to continue with prior action to move forward with the State Plan Amendment approval and not approving payment on the IAF claim amounts. The motion also included that the Board will move forward with and continues with the \$2 million set aside. Commissioner Irwin seconded the motion. Motion carried unanimously.

**6. Review and 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). For Possible Action.**

Jeff told The Board that the total amount for the supplemental billings for all counties is \$85,540,032 which is typical for previous years. Jeff went on to say that in the best of years we were able to pay 18 cents on the dollar for these claims but since the sweep they haven't paid anything for supplemental claims. He went on to say that this year with the penny going to the IGT if the SPA is not approved there is \$11 million available that could be used to pay the IAF claims and possibly 7 or 8 percent of the supplemental claims but if the SPA is approved, the Board will not be able to pay IAF claims or the supplemental claims.

Jeff also noted that the counties are responsible for the first \$25,000 of these claims, which is not reflected on the claims spreadsheet. He went on to say that his recommendation is that the motion should mirror what was done with the IAF claims, which is to approve the supplement claims, which keeps the counties in compliance with the statutory requirement to submit the claims and have them approved. With the approval of the claims and deferring and decision on the actual payment everyone's bases have been covered.

Commissioner Bonner opened the floor for public comment. Seeing none, he closed public comment.

Commissioner Irwin moved to approve the claims as submitted and to defer any payment until there is action on the State Plan Amendment. Kevin Schiller seconded the motion. Motion carried unanimously.

**7. Discussion and Possible Action Regarding Factors that the Board will Consider in Approving Requests from Counties for 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). For Possible Action.**

8. Jeff began by giving the Board background on the issue, saying that this program is being implemented for the first time as a result of SB452. He indicated that earlier the Board had moved to set aside \$2 million for fiscal year 14 for the county long term care match program. He said that the intent of this program is to accrue a balance in the Fund so the counties are able to meet future obligations as we expect the future obligation for counties to pay for the nonfederal match for nursing home care to increase. He said that they also recognized that there are counties that are having difficulty meeting the needs today and that even with SB 3 which sets an 8 cent cap for the rural counties, several are still struggling to make the payment.

Jeff explained that this Board would look at the eligibility factors for counties applying for the use of these funds, saying that most of the eligibility requirements have already been established in statute for a program that was in place 15 years ago in which the legislature appropriated funding for the Medicaid match program for counties. He added that funds haven't been appropriated in 10 or 12 years. Jeff explained that the reason it's important to help counties pay for the Medicaid match for long term care is because this program is predicated on every county participating in the program and if there is even one county that can't afford to pay their match the entire program goes away and the State wouldn't receive federal Medicaid dollars.

Jeff said that this was placed on the agenda to highlight why the program is in place and why is it important to help those counties that are struggling to meet their county match for long term care.

Commissioner Bonner asked if mental health services would be included in this program. Jeff said that mental health was not included in the list of indigent medical services as it's not something that counties have typically paid for in the past.

**9. Review and 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). For Possible Action.**

10. Jeff reminded the Board that they had previously taken action to administer this program and that a request was sent to county managers to participate in the application process and provide the information that the Board would need to make a recommendation.

He went on to say that because of the timing late in the year they needed to go back to fiscal year 12 and 13 and look at the prior year's budgets because those are the ones that have been audited and the date and information can be validated. Jeff said that they are looking for applications for funding but will review the previous year's budgets. He said that going forward they will purpose that this process be started on or around November 1 of each year.

Jeff told the Board they received applications from three counties; Humboldt, Carson City and Nye. Jeff said that based on the criteria that were discussed in the last agenda item Humboldt County would not qualify because they have not levied the full amount for the indigent tax levy nor have they levied the overall maximum property tax rate. Jeff recommended that they not be considered for funding for those reasons.

Jeff explained that Nye County is in financial severe financial distress. He said that they have met the 11.5 cent property levy for indigent medical and within a fraction of a penny in the overall \$3.66 cap but what they have found in review of their 2013 budget information is that their indigent property levy just about covers all of their indigent medical expenses, including the Medicaid match program and inmate medical. Jeff went on to say that even though they have met the threshold they are meeting their expenditures, and for these reason should not be considered.

Jeff told the Board that Carson City had met the threshold with the 11.5 cent property levy for indigent medical and they did have the full \$3.66 over all property tax in fiscal year 13. He went on to say that they have calculated that Carson City had Medicaid match expenses of \$1,480,000, county long term care at approximately \$60,000, Childhood Development Services at \$17,000, inmate medical at \$168, 728, indigent burial at \$11,000 and some medication expense at \$4,200. Jeff went on to say that there are some expenses that they didn't believed quailed for indigent services such as victims fund and general assistance for about \$13,000. Jeff said that Carson City included \$105,578 for county administrative costs and that we asked what portion of that cost was related to county indigent services. Carson City reported that it was about 50% of the full amount which seemed reasonable but there was no way of documenting that. Jeff explained that with reported amounts, excluding administrative costs it would appear that Carson City spent \$131,094 more in indigent medical then what their property revenues produced. He went on to explain that if you were to include their administrative costs, at 50% then the total would be \$183,883.

Jeff said that as Carson City has met the threshold eligibility criteria of having the maximum property tax rate for indigent medical and having indigent medical expense that exceed what that revenue produced.

Nick Providenti, Carson City Finance Director, told the Board that the problem they are having is with the 50/50 match for the long term care program, saying that the State's billing is more than what they are collecting. He said that they will use this money to help pay that bill, saying that Carson City is the regional hub for long term care in the area and they don't see their situation getting any better.

Commissioner Irwin moved to approve the application for Carson City of \$131,094 but not to include administrative expenses. Kevin Schiller seconded the motion. Motion carried unanimously.

### **11. Public Comment**

Mary Walker made a recommendation saying that when counties increased the tax rate they would get more money and when they would decrease they would get less money. She said that doesn't happen anymore. She went on to say that some counties won't be able to apply for this because they are just below the \$3.66 cap even if they meet all the other requirements. She said that the problem with this is that even if counties do go up to the \$3.66 it wouldn't generate any more money. She said that she would like to recommend for consideration of the next round not to use this criteria.

### **12. Adjournment**

Kevin Schiller moved to adjourn the meeting. Commissioner Irwin seconded. Motion carried unanimously.

BOARD OF TRUSTEES OF THE FUND FOR HOSPITAL CARE TO INDIGENT PERSONS  
(BOARD)  
Nevada Revised Statute (NRS) 428.195

May 29, 2014

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

Meeting Minutes

Members: Commissioner Lee Bonner Douglas County; Commissioner Lawrence Weekly, Clark County and Kevin Schiller, Washoe County. Others: Mike Willden, Director, Department of Health and Human Services, Bill Welsh, Nevada Hospital Association; Dwight Hansen, Nevada Hospital Association; Chris Bosse, Renown; Leah Lamborn, DHCFP; Jan Prentice, DHCFP; Ken Retterath, Washoe County; Mary Walker; Jeff Fontaine, Nevada Association of Counties; Elyse Monroy, Nevada Association of Counties.

**1. Public Comment.**

None

**2. Approval of Agenda. Action Item**

Kevin Schiller moved to approve the meeting Agenda. Commissioner Weekly seconded the motion. Motion carried unanimously.

**3. Election of a Board Vice-Chairman. Action Item.**

Commissioner Bonner nominated Kevin Schiller, noting that he has served on the Board for a number of years. Commissioner Weekly seconded the motion. Motion carried unanimously.

**4. Approval of Minutes for the August 14, 2013 Meeting of the Board. For Possible Action. Action Item.**

Kevin Schiller motioned to approve the August 14<sup>th</sup>, 2013 Meeting minutes. Commissioner Weekly seconded the motion. Motion carried unanimously.

**5. Update on the Implementation of Senate Bill 452 Enacted in the 2013 Legislative Session which Revises Provisions Governing Assistance Provided to Indigent Persons, Including:**

- Allowing the Board to Commit Money from the Fund to Obtain Higher Rates of Reimbursement for Hospital Care Provided to Recipients of Medicaid at Certain Hospitals.
- Allowing the Board to Further Commit Money from the Fund to Satisfy the Obligation of Counties to Pay Certain Matching Funds for the Nonfederal Share of Expenditures for Certain Persons who Receive Long-Term Care.
- Revising Provisions Governing the Payment by Boards of County Commissioners of Certain Amounts for the Provision of Care to Indigent Persons.

Jeff explained how the IAF Fund functions, and how the Supplemental Fund works, giving examples of past years. He told the Board the Fund was created, through a joint effort of NACO, the Hospital Association and the counties in 1993 in order to help reimburse counties for some of the expenses derived from indigent motor vehicle accident victims. The funding source is a penny and a half ad veloram tax that is assessed in each county. Hospitals submit the claims and the counties review the claims in order to certify indigency of the individual. The claims are then submitted to this board for review and potential payment. Jeff explained that NACO has administered this process through a contract with the state.

Jeff went on to say that the Supplemental Fund was created in 1985 and was intended to help counties pay for catastrophic indigent medical claims. These are funded out of a penny ad velorem tax per hundred dollar assessed valuation.

Jeff explained that regarding the IAF, the counties are responsible for a \$3,000 deductible per claim. Regarding The Supplemental Fund, counties are responsible for the first \$25,000. He explained that the intent of this to reimburse hospitals for part of the catastrophic costs as well as to hold counties harmless.

Jeff went on to explain that the average amount in the IAF fund is 20 to 25 million dollars. In 2008 the last year the fund was whole, there were 71 IAF claims for 8.2 million dollars, and the Board approved and paid claims on 6.6 million dollars. The vast amount was in Clark County with 54 cases and UMC was the recipient of a little over 5 million dollars.



Jeff explained that in 2008 the Supplemental Fund claims totaled just over 84 million dollars and that after paying IAF claims there was enough money in the fund to pay 18 cents on the dollar for those claims totaling approximately 16 million dollars.

Jeff went on to explain that from 2008 on the Fund was swept due to difficult budget times the State faced. However, in all years except 2012, the board was able to pay at least partial payment on all IAF claims.

In 2013 the Governor recommended that the fund be returned to the counties and at that time the Hospital Association, NACO, and the Counties got together in order to discuss the best use the funds. SB 452 came out of these discussions. NACO, the counties and the hospitals began to take in to account the expansion of Medicaid in the State, and the individual mandate which required individuals to have their own health insurance. The reasoning was that the number of claims should be reduced so that the need for the IAF could be diminished. The thinking was the funds could be repurposed to use as the non federal match for additional Medicaid dollars, which would be routed though the Department of Health and Human Services and be paid out to hospitals as enhanced Medicaid rates. In addition, the funds could be repurposed to help counties meet the growing liability of Medicaid Match for long term care. Jeff added that there is an additional provision in the bill which allows for a reduction in the intergovernmental transfer from Clark and Washoe counties. That is a result of taking the one penny in ad velorem tax which had once gone to the Supplemental Fund and transferring those to the state directly in order to reduce the IGT payments.

Jeff provided the Board with a flow chart which showed how the money now flows through the state and how it will be used. He explained that the Board of Trustees has decided to transfer additional funds to Medicaid in order to make additional payments. The Board of Trustees also set aside 2 million dollars in order to help counties meet their long term care agreements. He explained that now that the decision has been made to transfer the Fund, the State has been working on a state plan amendment for their Medicaid plan.

Jeff also provided the Board with a copy of an MOU between the Hospital Association and NACO which is intended to provide more specificity regarding amounts, the time line and other specifics in SB452. This MOU was approved by the NACO Board of Directors.

Mike Willden, Director of the Department of Health and Human Services (DHHS) gave the Board an update on where DHHS is in the process of completing the State Medicaid Plan Amendment. Mr. Willden provided the Board with a graph which outlined the stages in their process as well as letters from the Federal Centers for Medicare/Medicaid Services (CMS).

Mr. Willden went on to explain to the Board that CMS has concerns regarding the hospital assessment, as this could lead to the possibility of the State of Nevada recycling funds. Mr. Willden told the board they had two options; the first would be to declare to

CMS that the assessment wouldn't be a recycling of funds, he noted that going this route could add a year to two years to the process during that time no one would receive funds. Mr. Willden said the second option to consider would be "unbundle" the State Plan Amendment which would mean forgoing the hospital assessment and go ahead and approve the state plan so the money can be federalized. Mr. Willden went on to say that his recommendation is to make the two separate and make a declaration to not impose the assessment. He added that their Department would run a bill draft request in order to clean up the language to remove the assessment.

**6. Discussion and Possible Action to Reconsider the Board's August 14, 2013 Approval of the Hospital Assessment Account (Account) Not to Exceed Nine Million Dollars and Possible Action Regarding Whether to Require Certain Hospitals to Pay an Annual Assessment for Deposit into the Account (NRS 428.207).**

Mr. Willden explained to the Board that the provision that CMS has specifically called out for concern is NRS 428.207. They are seeing this as fund recycling.

r. Bill Welch, Nevada Hospital Association, said that the hospitals are not interested in getting in to a prolonged fight with CMS at this time. He went on to say that everyone has gotten paid, but the hospitals and that these funds were created to help offset the cost of care for the hospitals, saying that we need to figure out how to get the hospitals money. He added that the Hospital Association supports doing what needs to be done in regards to introducing legislation and Mr. Willden responding to CMS concerns and eliminating the assessment. He went on to say that the reason the MOU was signed was to ensure the protection of the counties from the hospitals continuing to file claims. He went on to say that there should also be a program created to make the rural counties whole. Mr. Welch also said that there needs to be agreement on what the Board does with any remainder of funds.

Mr. Willden went on to explain that according to a standing provision in the statute as of August 31<sup>st</sup> all claims need to be paid and any remaining funds in the account will be split half between being reverted to the state general and half will roll in to next year. He said that all funds in the account should be obligated by that date.

Jeff asked for clarification of the process of obligating the funds, wondering if the Board has determined that "X" amount of dollars is going to Medicaid Match and 2 million dollars will go to long term care off sets. He also asked if, as far as the obligations is concerned, is the fact that the board has already decided to carve that money out an obligation, or does something more specific have to happen saying that the money might need to be moved to a trust fund. Mr. Willden noted that the money can be moved to CMS and that it's the funds left behind that will need to be obligated. Mr. Willden said that he would review the technical aspects with Bonnie Long within Department of Health and Human Services and get back in touch with him.

Mr. Welch said that from the IAF/SUPP claims there is approximately 12 million dollars by the time you take out the 2 million for county match and take out the 60,000 for NACO administration of the Fund. He said they still believe there is value in tracking what those IAF/ SUPP claims would be for future potential legislative discussions. He speculated at a high level estimate that 11.2 million dollars could be federalized and that money could be left sitting there in the account, approximately \$600,000, at the end of the year and that the State shouldn't be able to sweep any remaining funds in to the general fund. Mr. Welch proposed that whatever funds are left in the account at the end of year be the funds that this Board uses to pay claims. He said they would accept that as a payment in full so hospitals that are still having these claims are seeing some off set.

Kevin Schiller motioned to have the Board of Trustees for the Fund to Hospital Care to Indigent Person not make an assessment in accordance with the CMS rule request. Commissioner Weekly seconded the motion. Motion carried unanimously.

**7. Discussion and Possible Action Regarding the Role of the Board and the Factors to be Considered in Approving a Request from a County for the Fund to Satisfy a Portion of the County's Obligation to Pay the Nonfederal Share of Expenditures for Long-Term Care Pursuant to the State Plan for Medicaid (NRS 422.272)**

Jeff began by telling the Board that during the last legislative session SB3 was passed which established an 8 cent cap on the amount that counties have to pay to the state for the nonfederal match to the long term care program. He explained that the intent behind the set aside of the 2 million dollars was two-fold; first- this was to be a fund to help counties meet future long term liabilities for the county match program and that secondly this was intended to help counties with extreme budget issues, saying that there are counties in the state that are struggling, even with the 8 cent cap.

Jeff went on to say that there was discussion about which body would administer the use of the fund explaining that there is a Board for the Fund of Institutional Care for the Medically Indigent which dates back to 1995, when the counties had the same issue they are having now with the rising cost for long term care. He noted that board has been nonfunctioning since 2001 and is being considered for sunset by an interim Legislative Committee. Jeff has told the Committees that the Board for the Fund for Hospital Care to Indigent Persons would be considering taking on the long-term care activities of that board. He went on to say that the NACO Board would be an option for the governing of the funds. He explained that a working group of county human services director was put together and made a recommendation to the NACO Board to have the Board for the Fund of Hospital Care to Indigent Persons govern the 2 million dollars. The NACO Board approved the recommendation. He told the Board that the action they are to consider today is to have the Board for the Fund for Hospital Care to Indigent Person take on the responsibility of allocation of the IAF set aside for the county match program. He went on to say that the working group also created some very specific criteria which could be used when determining how funds could be distributed to counties, saying that almost all of these criteria are already in statute under 428.470 regarding how the Board of Trustee for the Fund for Institutional Care would allocate their funds.

Commissioner Weekly noted that he would support the recommendation to have the IAF Board administer the set aside funds.

Mr. Willden asked Jeff for clarification so they know how the processing should take place on the State's end saying that the way he understands this the 2 million dollars has been set aside to help offset the counties obligations in the county match program as there has been historically there are going to be some counties that can't meet their obligation and some counties that will. Mr. Willden asked if this fund would be just for the counties that can't meet their obligations, or would this fund be used as an offset for counties that have paid in to their assessment, or would this fund be used as a refund back to the counties using these dollars instead of what they have paid in. Mr. Willden went on to say that he wasn't sure how this would be reconciled. Jeff said the intent here was in part to build a balance in the fund that would be used for future obligations, but recognizing that there are immediate needs in some of those counties. He explained that his thought was to inform counties that the fund is available and that he would give them the parameters to how they can use the money to help offset their cost. Jeff went on to say that he thinks they would get applications from a handful of counties, adding that the fact that the 2 million dollars will revert back to the general fund if it is not fully used is something that will have to be dealt with. He added that if that is possible this board may need to consider having every county eligible to apply for funds to ensure that any balance in the fund is not reverted.

Kevin Schiller noted that rural counties are most at risk.

Mary Walker noted that a local government like Washoe or Clark counties can establish a trust fund for the fund to be held on behalf of NACO for the strict purpose of the law.

Yolanda King asked for clarification on the criteria under which a county's application would be considered. Jeff read a number of the criteria which are already in statute. He added that the board might also consider whether or not the county has the taxing authority to raise the money to make the payment, whether the county has expended its money for the care of indigent individuals in an appropriate manner and whether or not they have budgeted appropriately.

Commissioner Weekly made a motion to accept the recommendation that the Board administer the county match fund. Kevin Schiller seconded the motion. Motion carried unanimously.

**8. Discussion and Possible Action to Direct Staff to Evaluate the Cost and Potential Funding Sources to Conduct an Actuarial Study of Future County Obligations for Long-Term Care.**

Jeff began by saying that recognizing a portion of this 2 million dollar set aside by this board is to have this fund established to help counties meet future obligations for long term care, that it would be helpful to have data to support the need for the fund, and to support the argument that this fund should be available to counties.

He went on to say that based on data that already exists that costs are rising and demographics are changing, and that more and more people are going to be seeking these services and the counties will have to pay a substantial portion of them. He added that NACO doesn't have the expertise to do a full study and that they are suggesting have an expert look at this issue. He said that if the Board supports this idea they need to consider how it might be funded. He went on to say that he would ask Director Willden if a portion of the 2 million set aside can be used.

Commissioner Weekly said that he might feel more comfortable making the decision if the cost of the study was confirmed and then we would need to find out if we can use funds from the set aside to fund a study. Jeff went on to say that if they decide this study would be useful that NACO staff would move forward in evaluating the costs that would be incurred in the study and how we might be able to pay for it.

Kevin Schiller motioned to look at the scope the issue and funding mechanisms, and if the study will be able to glean the information and projections the board is looking for. Commissioner Bonner seconded the motion. Motion carried unanimously.

**9. Discussion and Possible Action to Approve the Process for the Solicitation, Review and Approval of Indigent Accident Claims (NRS 428.325) and Supplemental Claims (NRS 428.209).**

Jeff began by telling the Board that prior to the sweeping of the fund IAF claims were processed twice a year and when the fund was swept NACO began processing claims once a year. He went on to say that his recommendation would be to have claims submitted by the end of June, processed by the end of July and the Board meet by August 1<sup>st</sup> so the claims could then be paid out August 31<sup>st</sup>.

Commissioner Weekly asked for a brief review of the claim criteria and how far the claims can go back. Jeff responded saying that the processing of claims happened last year and that we are looking claims that would have been filed since June 2013 when the board last reviewed them. He said he believes that there is a provision that allows for prior claims to be submitted if they did not make the last year's deadline.

Ken Retterath noted that claims can go back two years as that gives enough time for hospitals and counties to complete their processing.

Chris Bosse asked for clarification on the time line of claims being filed. Jeff responded that he would follow up with clarification on her question when they release the request for claim submissions.

Kevin Schiller Motion to support the time frames recommended by Jeff Fontaine.  
Commissioner Weekly seconded the motion. Motion carried unanimously.

10. Public Comment

None

11. Adjournment

Commissioner Weekly motioned to adjourn the meeting. Kevin Schiller seconded the motion.

Board of Trustees of the Fund for Hospital Care to Indigent Persons  
Nevada Revised Statute 428.195  
August 14, 2013, 11:00 a.m.  
Nevada Association of Counties  
304 South Minnesota Street  
Carson City, Nevada 89703  
Meeting Minutes

Board Members: Commissioner Pat Irwin, Pershing County; Commissioner Lee Bonner, Douglas County; Kevin Schiller, Washoe County Social Services. Others: Mary Walker, Walker and Associates; Chris Bosse, Renown Hospital; Bill M. Welch, Nevada Hospital Association; Leah Lamborn, Department of Health Care Finance and Policy; Ellen Crecelius, Department of Health Human Services; Edrie LaVoie, Lyon County Human Services; Mary Jane Ostrander, Carson City Human Services; Karen Goode, Douglas County, Social Services; Ken Retterath, Washoe County Social Service; Jeff Fontaine, Nevada Association of Counties; Elyse Monroy, Nevada Association of Counties.

**Item 1. Election of a Chairman of the Board of Trustees of the Fund for Hospital Care to Indigent Persons (Board). Action Item**

Commissioner Irwin moved to approve Commissioner Bonner as Chair of the Board of Trustees of the Fund for Hospital Care to Indigent Persons. Kevin Schiller seconded the motion. Motion carried unanimously.

**Item 2. Approval of Agenda. Action Item**

Kevin Schiller Moved to approve the meeting agenda. Commissioner Irwin seconded the motion. Motion carried unanimously.

**Item 3. Public Comment.**

None.

**Item 4. Approval of Minutes for the July 24, 2012 Meeting of the Board. For Possible Action Item.**

Commissioner Irwin moved to approve the minutes of the July 24<sup>th</sup>, 2012 meeting of the Board. Kevin Schiller seconded. Motion Carried unanimously.

**Item 5. Updates on the Status of the Fund for Hospital Care to Indigent Persons (Fund), the Board, and Senate Bill 452, Enacted in the 2013 Legislative Session, which Revises Provisions Governing Assistance Provided to Indigent Persons.**

NACO Executive Director Jeff Fontaine began by giving a status of the Board, saying that the NACO board submits the names of nominees to the Governor for appointment to the 5 member Board, 4 commissioners and one county social services director. The NACO Board has submitted the names of 6 commissioners, and 3 social services directors. He went on to say that the process is lengthy and that it might be some time before the appointment is officially made. He added that the members present today, are indeed still on the Board and that their appointments expired on June 30<sup>th</sup>, of the past year, but that the Governor's office acknowledges these members as hold over members of the Board. He thanked the members present for agreeing to participate as hold over members.

Bonnie Long from the Department of Health and Human Services (DHHS) informed the Board that the current amount in the fund is; \$532,841. She went on to say that after talking to the Department of Taxation they believe that White Pine Counties' 4<sup>th</sup> quarter payment should be received soon and they expect it to be approximately \$15,000.

Jeff Fontaine then moved to the review of SB452. He began by saying that this bill addresses the use of the IAF Fund, and it reflects work from counties, DHHS, and the Nevada Hospital Association. He added that it was a great effort and very collaborative. He added that this bill allows for the fund to be flexible in using the dollars, to accommodate variables from the Affordable Care Act that are yet to be discovered.



Jeff provided the Board with a proposed scenario, which was prepared by DHHS, which lays out the fund, potential uses and the time line. He acknowledged that this Board will make important decisions on other possible uses of the fund; both supplemental payments to hospitals as well as payments to counties for Medicaid match.

Bill Welch, Nevada Hospital Association explained to the Board that after the State receives a state plan amendment from Centers for Medicaid Services (CMS), the one cent for Washoe and Clark would be pulled out in order to meet their disproportionate share obligations, which would total approximately 11 or 12 million dollars. Two million dollars would then be pulled off to help counties meet their Medicaid match obligations. The remainder would then be given to DHHS Medicaid to get federalized in order to meet the federal match requirements. Those monies would then come back in to the pool, which would then be distributed to the critical care hospitals in supplemental payments, and that some hospitals will or will not get the payment dependent on various factors. He said that eligible hospitals would be full acute care hospitals and that the payments would be allocated based on a formula worked on by the Hospital Association. Once the IAF Payments have been paid, it is the intention that any extra money would be used to pay supplemental claims. Mr. Welch went on to say that it was agreed to that the amount of money to be spent for this purpose is not to exceed 9 million dollars.

Mr. Welch went on to say that the hospitals that received supplemental payments would be assessed and that the money would then come into NACO and be used, as it always has been, by NACO. Mr. Welch further stated that one-half million dollars will be dedicated for non-hospital providers and one-half million dollars will be distributed for rural hospitals because there is a possibility, under this formula, that the rural hospitals could be compromised up to one-half million dollars. He said that the remainder of the fund would be used to pay claims as they have been historically been paid, and claims would be processed how they have always been processed; the claims would come in, go through the normal process to approve claims and the hospitals that received supplemental payments will be assessed to pay their portion to though NACO.

These monies would then be a release of claims. He added that this process was created to help try and protect the counties while still making the payments of catastrophic claims for individuals who don't have insurance or a way to pay. He added that this also helps to protect the hospitals that get a disproportionate share of these catastrophic indigent patients.

Leah Lamborn from the DHHS talked about what would be needed to obtain a Medicaid state plan amendment, saying that a trial notice will be sent out and the clearance process will then begin. She added that within 60 days a public hearing notification will be released and that once the public notice is done the State plane amendment will be submitted to CMS. The time frame for processing amendment request varies. She expects this request to take 6 months to a year to process, but once it is done it will be retroactive back to the application date. This has not been vetted with CMS as this point, as they have just agreed upon a distribution methodology.

Bill Welch added that all parties also agreed to create an advisory committee to protect the interests of all interested parties. This committee will meet in the spring and will make recommendation to NACO for consideration and approval as the NACO board has the responsibility to approve the plan. Commissioner Bonner acknowledged that he was glad to see that this plan gives parameters about how the money should be divided. He went on to ask why there seems to be less money in the fund this year. Bonnie Long responded saying that there were are number of counties who had overall lower payments and that property tax revenues have gone down.

Commissioner Bonner asked for a definition of an acute care full service hospital. Bill Welch informed him that it is simply stated a hospital with an emergency room and provides a full scope of services.

**Item 6. Discussion and Possible Approval of the Use of the Fund to Obtain Higher Rates of Reimbursement for Hospital Care Provided to Recipients of Medicaid at Certain Hospitals and to satisfy the Obligation of Counties to Pay Certain Matching Funds for the Nonfederal Share of Expenditures for Certain Persons who Receive Long – Term Care.**

Jeff began by saying that SB452 doesn't specify the reimbursement amounts, which is by design, as we won't know the total amounts beforehand. However, on June 28<sup>th</sup> the NACO Board approved an MOU with the Nevada Hospital Association in order to be more specific about the amounts, at least for the short term initial period. The MOU agreed that of the amounts available, 60,000 dollars would go to NACO for the administrative costs and 2 million dollars would be set aside to help counties meet the county match program. The remainder would then be used for additional Medicaid match. Jeff explained that these amount will be reviewed at a later date.

Jeff explained that the administration cost of the fund is less than approximately one percent of the fund, so it is coming at a great value to the State and counties. Commissioners Irwin and Bonner expressed an interest in reevaluating the administration cost in the future to reflect a percentage of the fund as opposed to a fixed dollar amount.

Jeff informed the Board that they are being asked to make decision on the following questions; first whether or not to use the funds as explained under SB452 and secondly if they want to designate the fund amount agreed upon by the NACO Board and the NHA.

Commissioner Irwin moved to approve the use of the funds to obtain higher rates of reimbursement for hospital care provided to recipients of Medicaid at certain hospitals and to satisfy the obligation of counties to pay certain matching funds. He added that 60,000 dollars is to be used for NACO administration, 2 million dollars is to be set aside for Medicaid county match and the remainder to be used for Medicaid supplement payments. Kevin Schiller seconded the motion. Motion carried unanimously.

**Item 7. Discussion and Possible Action for the Board to Enter into an Agreement with the Division of Health Care Financing and Policy of the Department of Health and Human Services whereby the Board Agrees to Transfer an Agreed Upon Amount of Money Each Year from the Fund to the Division for the Division to Include in the State Plan for Medicaid an Enhanced Rate of Reimbursement for Hospital Care Provided to Recipients of Medicaid or to Make Supplemental Payments to the Hospital for the Provision of Such Hospital Care through Increased Federal Financial Participation and/or to Satisfy a Portion of the Obligation of a County to Pay the Nonfederal Share of Expenditures Pursuant to NRS 422.272. For Possible Action.**

Jeff began by saying that as this language is verbatim from NRS, and that he wanted to make sure that action was taken to ensure that the Board was in compliance with the bill. As the motion had already been made for the use of the funds this motion should be made with the amounts approved under item 6, adding that the amounts that are being approved can be revisited on an annual basis.

Commissioner Irwin motioned to approve the Board to enter into an agreement with the Division of Health Care Financing and Policy of the Department of Health and Human Services whereby the Board agrees to transfer an agreed upon amount of money each year from the Fund to the Division for the Division to include in the State Plan for Medicaid an enhanced rate of reimbursement for hospital care provided to recipients of Medicaid or to make supplemental payments to the hospital for the provision of such hospital care through increased Federal financial participation and/or to satisfy a portion of the obligation of a county to pay the Nonfederal share of expenditures pursuant to NRS 422.272 with the amounts as follows; \$60,000 to be used for NACO administration of the funds, 2 million dollars to be set aside for Medicaid county match, and the remainder to be used for Medicaid supplement payments.

**Item 8. Discussion Regarding the Hospital Assessment Account Created Pursuant to SB452 and Possible Action for the Board to Require that Certain Hospitals in Nevada Pay an Assessment for Deposit into the Account to Provide Reimbursement or Partial Reimbursement to Hospitals for Uncompensated Hospital Care. For Possible Action.**

Jeff suggested that the Board consider action without specifying the exact assessment amount; a maximum amount could be set at up to 9 million dollars taking Mr. Welch's recommendation into consideration from previous agenda item discussions.

Commissioner Irwin moved to approve the Hospital Assessment Account Created Pursuant to SB452 which would require that certain hospitals pay an assessment for deposit in to the account, not to exceed 9 million dollars, which would be assessed and based on the percentages as outlined. Kevin Schiller seconded the motion. Motion carried unanimously.

**Item 6. Review and Approval of Claims for Reimbursement from the Fund. For Possible Action.**

Jeff began by saying that there are both Indigent Accident Fund claims and Supplemental Fund Claims. The amount in the fund is approximately 550,000 dollars to pay approximately 48 million dollars in claims. He recommended that the amount for the Supplemental Fund Claims be approved noting there isn't enough money to pay those claims.

Jeff added that due to the sweeping of the fund, and other changes to the fund there are two waivers that the board would need to approve in order to make sure that all eligible IAF claims are approved. Jeff read from the Nevada Administrative Code saying:

NAC 428.030, (4) unless waived by the Board of Trustees of the Fund, the hospital submits to the appropriate board of county commissioner, within 2 years after the patient is discharged, its request for a determination that the patient is an indigent person.

Jeff then explained that a couple of claims were submitted outside of the two year time frame. He added that the second waiver would be needed and read from the Nevada Administrative Code saying:

:

NAC 428.030 (5) Unless waived by the Board of trustee for the fund, application for reimbursement is made by the hospital or hospitals providing the hospital care within 30 days after receipt of certification of the patient's indigency from a county.

Jeff explained that the 30 day requirement is exceeded in almost every case as NACO had asked that the hospital hold claims until the end of the year because we only process of claims once a year since the fund has been swept. He went on to remind the board about the reimbursement rate and read from the Nevada Administrative Code saying:

NAC 428.090 (1) the urban hospitals can be reimbursed 85% and the rural hospitals 100% of all eligible charges... and that under NAC 428. 080 (3) Physician's charges will be reviewed and payment will be made based on a percentage of charges, as established by the Board, in accordance with the edition of the Current Procedural Terminology of the American Medical Association.

Kevin Schiller asked how the fund was dispersed last round. Jeff told Kevin that the Board had enough money to pay the hospital claims and just enough to pay a good percentage of the other charges.

There was then discussion about how the fund should be split up. Commissioner Irwin suggested splitting everything across the board as a percentage of what the total is.

Kevin Schiller moved to approve the reimbursement based on the state allocation of funds available at approximately \$547,000 and that payment be approved to hospitals specific to IAF based on the fund amounts and eliminate the other billed services charges and to base the payment percentage on the billable charges submitted to NACO and to approve the waivers. Commissioner Irwin seconded the motion. Motion carried unanimously.

**Agenda Item 7. Public Comment**

None.

**Agenda Item 8.**

Commissioner Irwin moved to adjourn the meeting. Kevin Schiller seconded. Motion Carried unanimously.

BOARD OF TRUSTEES OF THE FUND FOR HOSPITAL CARE TO INDIGENT PERSONS  
Nevada Revised Statute 428.195  
July 24, 2012, 4:00 p.m.  
Nevada Association of Counties  
304 South Minnesota Street  
Carson City, NV 89703  
Minutes

**Call to Order at 4:05pm**

**1. Roll Call**

- Attendees: Supervisor Molly Walt (Carson City), Commissioner Lee Bonner (Douglas County), Commissioner Pat Irwin (Pershing County), Commissioner Tommy Rowe (Lincoln County), Director Kevin Schiller (Washoe County Social Services), Ken Retterath (Washoe County Adult Services), Chris Bosse (Renown), Tricia Burns (Cardon Outreach), Shawn Mimnaugh (Cardon Outreach), Stephanie Donahue (Cardon Outreach), Jeff Fontaine (NACO Staff), Leah Bradle (NACO Staff)

**2. Public Comment**

- Jeff Fontaine noted the typo in the year on the meeting posting, but said he received notification that it did not violate the open meeting law
- Chris Bosse from Renown noted an additional claim from Renown that was added to the possible approval list for this year. She noted that it was meant to be a resubmittal from 2011 with the additional information provided to complete the file. Bosse said she is available to answer any questions.

**3. ACTION ITEM: Election of a Chairman of the Board of Trustees of the Fund for Hospital Care to Indigent Persons.**

- Molly Walt submitted her name as a nominee for Chair
- Motion by Tommy Rowe to elect Molly Walt as Chair of the Board of Trustees of the Fund for Hospital Care to Indigent Persons, 2<sup>nd</sup> by Pat Irwin, passed unanimously

**4. ACTION ITEM: Approval of Minutes for the August 4, 2011 Meeting of the Board of Trustees of the Fund for Hospital Care to Indigent Persons.**

- Motion by Tommy Rowe to approve the minutes for the August 4, 2011, meeting, 2<sup>nd</sup> by Ken Retterath, passed unanimously

**5. INFORMATIONAL ITEM: Update on the Status of the Fund for Hospital Care to Indigent Persons and the Board of Trustees of the Fund for Hospital Care to Indigent Persons.**

- Jeff Fontaine reviewed the changes to the makeup of the Board, the nominations to the Board and terms. He noted the Legislature swept the Fund as part of the recommended budget which equals \$19.1 million for this year and \$19.1 million next fiscal year. Fontaine has received word that there may be new funds available for disbursement based on receipts to date. Fontaine stated AB36 requires the \$3,000 deductible paid by counties be put into a separate account to be paid to hospitals. He noted that NACO has contract with the State to staff this Board which will expire in June 2013.



- Tommy Rowe noted his commission term will expire prior to his nomination on this Board

**6. INFORMATIONAL ITEM: Update on Potential Actions to Recover Revenues Diverted from the Fund for Hospital Care to Indigent Persons.**

- Jeff Fontaine stated an estimated \$74 million in revenues will have been swept by end of next fiscal year; 2.5 cents in property taxes. He noted NACO is looking at ways to prevent future sweeps including potential litigation to address the issue. Fontaine said there are plans to talk to Governor and Legislative leadership. Fontaine said the expanded Medicaid program is on the table and these funds could play a role in that program, possibly in the form of a match.

**7. ACTION ITEM: Review and Approval of Claims for Reimbursement from the Fund for Hospital Care to Indigent Persons (Indigent Accident Fund) Established Pursuant to Nevada Revised Statute 428.175 and the Supplemental Account Established Pursuant to NRS 428.305.**

- Jeff Fontaine reviewed the process for receiving and reviewing claims. He noted that Indigent Accident Funds and Supplemental Funds have been comingled; therefore IAF funds are paid first and supplemental second based on a prorate formula. Fontaine reviewed the claim list for 2012 and reviewed the process for determining reimbursement rates. He recommended approval of a waiver for hospital submissions to be within 30 days.
- Motion by Lee Bonner to approve a waiver that hospital submissions need to be within 30 days, 2<sup>nd</sup> by Molly Walt, passed unanimously
- Discussion on reimbursement rates and prorate approvals from previous years
- Discussion on which areas to reimburse first and at what rates
- Jeff Fontaine noted one option could be to approve the funding formula based on the amount of available funding
- Kevin Schiller suggested paying hospitals in full and prorating additional services as funding is available, with any additional monies going to supplemental; if funding is not available to pay the hospitals in full, prorate the hospitals first and then prorate additional services
- Shawn Mimnaugh noted that the hospitals cannot refuse service to the patient
- Discussion on the ripple effect of paying or not paying hospitals and physicians and on the effect on rurals
- Motion by Lee Bonner to make the hospitals whole first, then pay additional services, on a prorate if need be, including claim 2729, with any excess beyond that going to supplemental claims, 2<sup>nd</sup> by Kevin Schiller, passed unanimously

**8. Public Comment**

- None

**9. Adjourn**

- Motion to adjourn by Lee Bonner, 2<sup>nd</sup> by Kevin Schiller
- Adjourned at 5:13pm