

# Quality & Charity Care Trust Update

June 7, 2016

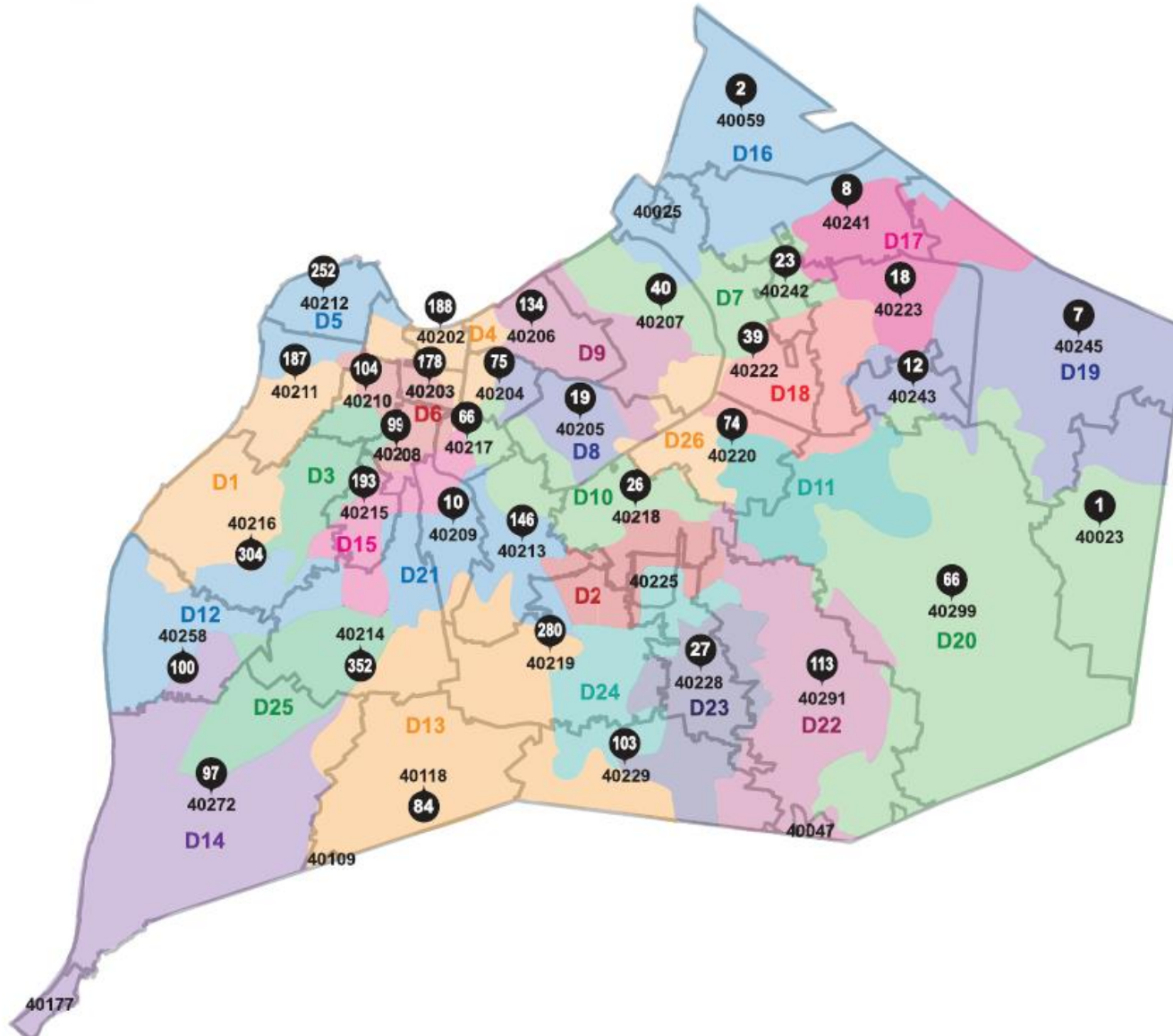
# Overview

- The University of Louisville Hospital submitted all of their accounts for patients without insurance, or patients with insurance who were categorized as indigent.
- The Cabinet for Health and Family Services compared those accounts to persons enrolled in Medicaid.
- Since the ULH does not collect income and household size information which would satisfy the terms of the agreement, the state agreed to let ULH hire PARO Decision Support to estimate those items .
- In addition to income and household size, PARO included an estimate of ability to pay which was set to “Not Qualified” when they estimated the individual had the ability to pay and should be approached for collection purposes.
- The state has used this last estimate as an indicator of which patients should be considered medically needy.

# QCCT Investment at Work

## 2015 CASES

**3,921**



# Budgeted Resources

|                          | Fiscal Year<br>2015 | Fiscal Year<br>2016 |
|--------------------------|---------------------|---------------------|
| State Funding            | \$6 million         | \$4 million         |
| Metro Louisville Funding | \$5 million         | -                   |
| Total                    | \$11 million        | \$4 million         |

# QCCT FY15 Actual Summary

| FY15 Actual                       |                |               |                      |                     |           |                  |
|-----------------------------------|----------------|---------------|----------------------|---------------------|-----------|------------------|
| Allowable % of                    |                |               |                      |                     |           | Allowable        |
| Total                             | # of Accounts  | Gross Charges | Eligible Cost        |                     |           | Reimbursement    |
| <b>QCCT Reimbursement Summary</b> |                |               |                      |                     |           |                  |
| Jefferson County                  | 90.00%         | 2,687         | \$ 18,470,457        | \$ 4,013,973        | \$        | 4,013,973        |
| Other KY Counties                 | 10.00%         | 410           | \$ 4,837,483         | \$ 1,118,742        | \$        | 445,997          |
| <b>Total QCCT</b>                 | <b>100.00%</b> | <b>3,097</b>  | <b>\$ 23,307,940</b> | <b>\$ 5,132,715</b> | <b>\$</b> | <b>4,459,970</b> |

## QCCT Funding Summary

|                  | % of Total     |           | Available         | Actual              |                |                   |
|------------------|----------------|-----------|-------------------|---------------------|----------------|-------------------|
|                  | Funding        |           | Funding           | Reimbursement       | Unused Funding |                   |
| State            | 37.50%         | \$        | 6,000,000         | \$ 1,672,489        | \$             | 4,327,511         |
| UofL             | 31.25%         | \$        | 5,000,000         | \$ 1,393,741        | \$             | 3,606,259         |
| Louisville Metro | 31.25%         | \$        | 5,000,000         | \$ 1,393,741        | \$             | 3,606,259         |
| <b>Total</b>     | <b>100.00%</b> | <b>\$</b> | <b>16,000,000</b> | <b>\$ 4,459,970</b> | <b>\$</b>      | <b>11,540,030</b> |

# QCCT FY16 Projected Summary

| FY16 Projected                              |                         |               |                      |                     |                            |
|---|-------------------------|---------------|----------------------|---------------------|----------------------------|
|   | Allowable % of<br>Total | # of Accounts | Gross Charges        | Eligible Cost       | Allowable<br>Reimbursement |
| <b>Projected QCCT Reimbursement Summary</b> |                         |               |                      |                     |                            |
| Jefferson County                            | 90.00%                  | 4,100         | \$ 27,211,000        | \$ 6,060,000        | \$ 6,060,000               |
| Other KY Counties                           | 10.00%                  | 700           | \$ 7,557,000         | \$ 1,495,000        | \$ 673,333                 |
| <b>Total QCCT</b>                           | <b>100.00%</b>          | <b>4,800</b>  | <b>\$ 34,768,000</b> | <b>\$ 7,555,000</b> | <b>\$ 6,733,333</b>        |

## Projected QCCT Funding Summary

|                   | % of Total<br>Funding | Available<br>Funding | Projected<br>Reimbursement | Projected<br>Unused Funding |
|-------------------|-----------------------|----------------------|----------------------------|-----------------------------|
| State             | 31.73%                | \$ 4,000,000         | \$ 2,136,505               | \$ 1,863,495                |
| UofL              | 39.66%                | \$ 5,000,000         | \$ 2,670,631               | \$ 2,329,369                |
| Louisville Metro* | 28.61%                | \$ 3,606,259         | \$ 1,926,198               | \$ 1,680,062                |
| <b>Total</b>      | <b>100.00%</b>        | <b>\$ 12,606,259</b> | <b>\$ 6,733,333</b>        | <b>\$ 5,872,926</b>         |

\*For Louisville Metro, Available Funding for FY16 is the unused funding balance at the end of FY15.

\*Annualized Based on Preliminary Q1 & Q2 Data

Notes: FY16 projected is based on annualized preliminary FY16 Q1 & Q2, which is currently being processed by the State. Ultimate reimbursement may vary and will likely be in range of \$4 to \$8 million based on initial internal analysis.

## Future Threats

- Changes to State Medicaid Program.
- Reduction in Federal Support of Medicaid Program.
- Reduction in Disproportionate Share Hospital Program.