RAC 3 discussion items

1. Spending Floor Adjustments

This document outlines OHA’s approach to requests to review a hospital’s minimum spending floor, as referenced in the rule. All requests to review a hospital’s spending floor, and the OHA response, will be publicly reported as outlined in 1(e)(iii), below. OHA will consider the following types of spending floor adjustments when requested by a hospital:

* 1. Payer mix adjustments
		1. OHA recommends case by case review as requested by the hospital. Data analysis indicates there is no high-level correlation between unreimbursed care and profitability. This results in a lack of data to inform a reasonable adjustment for the broad hospital population for a given percentage of unreimbursed care.
		2. Hospitals must show an excessive unreimbursed care burden results in financial harm to be granted an adjustment to the direct spending portion of the formula.
		3. Payer mix adjustments are subject to public reporting in 1(e)(iii), below.
	2. Financial Instability Adjustments
		1. OHA will consider reductions to the direct spending portion of the formula, if requested by the hospital. Direct spending categories are important and promotion of spending in the community as a key part of the legislative intent of the bill. As such, OHA will not guarantee a reduction, but rather set guidelines around the conditions in which we would consider one.
		2. The hospital must provide evidence of current or imminent financial instability, including, but not limited to, data on current days cash on hand, current cash to debt ratio, capital spending ratio, and trend information that may inform future projections for revenue and expense.
		3. Hospitals in health systems would be required to provide system wide figures in addition to hospital figures.
		4. Because hospitals have little control over the amount of uncompensated care they provide [see (1)(d), below], OHA will consider requests to reduce the direct spending portion, up to the full amount, depending on the severity of the financial instability.
		5. Reductions will be applied and reassessed quarterly.
		6. Adjustments would be subject to public reporting as described in 1(e)(iii)
	3. Formula input adjustments
		1. A hospital may request OHA recalculate the formula with updated inputs if the hospital provides data that alters the formula’s assumptions.
		2. Hospitals must be prepared to defend the accuracy of any data supplied to OHA. Logic or formulas must be shown, or account software statements provided to defend the request.
	4. Unreimbursed Care adjustment
		1. As a standard policy OHA will not adjust the unreimbursed care portion of the formula, as the obligation to provide financial assistance is specified in statue.
		2. As it related to C above, OHA will adjust the unreimbursed care portion if data provided by the hospital supports it.
	5. Public reporting and comment
		1. OHA will publish the initial floor calculations on its website within one week of providing it to the hospital and allow for a 30 day public comment period to the hdd.admin@dhsoha.state.or.us inbox.
		2. Public comments will be posted to the web as they come in.
		3. Requests to adjust the floor will also be published to the website.
		4. Adjusted floor determinations and their rationales will be published to the website, and trigger a second 30-day comment period, with comments also posted to the web
		5. Floor calculations, assignments and comments will remain on the web for the full duration of the two-year cycle and up to the first day of the new cycle before being removed.
1. Community benefit recipient reporting details
	1. OHA recommends individual reporting of Community Building or Cash and In-Kind contributions if the value of the benefit exceeds $5,000
	2. Facilities may aggregate up awards below $5,000 into similar topic groups for reporting. Examples: Scholarship awards below $5,000 could be reported as “Twenty scholarship awards of $1,000 for education in health professions”. In-kind contributions for space could be reported as “provided conference room space, valued at $100 per hour, to 30 organizations for a total of $15,000” or any other similar style of aggregation.
2. Further Rule Language edits
	1. OHA made light edits
		1. Inserted a date to send out the summary file (no later than October 31st)
		2. Spelled out CHNA/CHIP to avoid potential confusion
		3. Up for comment: inserted the $5,000 individual reporting threshold.
		4. Anything else?
3. CBR form Edits
	1. What is unclear?
	2. What needs modification?