



Update on the Safety Net Care Pool
for the
Legislative Health and Human Services Committee

Brent Earnest, Secretary
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Safety Net Care Pool

- Safety Net Care Pool (SNCP) included in the Centennial Care Medicaid waiver to replace the Sole Community Provider Program
- SNCP composed of the Uncompensated Care Pool and the Hospital Quality Improvement Incentive Pool

(\$ in millions)	2014	2015	2016	2017	2018	Total
Uncompensated Care	\$68.89	\$68.89	\$68.89	\$68.89	\$68.89	\$344.45
Hospital Quality Improvement Incentive	-	\$2.82	\$5.76	\$8.83	\$12.01	\$29.42
SNCP Total	\$68.89	\$71.71	\$74.65	\$77.72	\$80.90	\$373.87

- Centennial Care also included an increase to inpatient reimbursement rates for SNCP hospitals.

SNCP: Uncompensated Care Pool

- Requires a standard application and measurement of uncompensated care
 - Hospitals submit applications for payments in the next year
 - Payments from the UC pool must be reconciled against actual uncompensated care amounts
 - E.g., payments in 2014 will be reconciled in 2016

- Designed to support small, rural hospitals
- Uncompensated care dropped \$54 million from 2014 to 2015

UC Pool Allocation			\$ 68,889,323
# of beds	# of hospitals		
0-30	13	60%	41,333,594
31-100	7	30%	20,666,797
101-200	6	10%	6,888,932
201-300	2	0%	-
301+	1	0%	-
	29	100%	68,889,323

SNCP: UC Applications and Payments

	2014 UC Applications	2014 Payments	2015 UC Applications	2015 Est. Payments
Smallest Hospitals	\$27,074,167	\$27,074,167	\$28,055,810	\$28,055,810
Small Hospitals	23,209,141	23,209,141	23,818,630	23,818,630
Medium Hospitals	29,891,032	15,584,936	3,351,627	17,014,883
Large Hospitals	23,300,811	3,021,079	5,886,241	0
Largest Hospital	72,446,723	0	30,088,176	0
Total	\$175,921,874	\$68,889,323	\$121,200,484	\$68,889,323

SNCP: Hospital Quality Improvement Incentive Pool

- Payments to hospitals to improve the quality of care
- All 29 hospitals participating
- In 2015, setting baselines and subsequent years hospitals 'earn' incentive payment by reaching improvement targets
- Performance measures include reducing infections, reducing adverse drug events, and reducing injuries from falls, among others.
- Similar to the UC Pool, the HQII pool recognizes differences between small and larger hospitals.

SNCP: Enhanced Payments

- Centennial Care included additional funding for base rate increases to SNCP hospital
- 62% increase in inpatient fee schedule (45% for UNM hospital)
- \$114.6 million paid to hospitals due to the enhanced rates
- Reviewing enhanced rates for current FY16 budget

SNCP: State Financing

- SNCP replaced a program that was solely funded by counties
 - Reaching more than \$50 million annually
- SB268 (2014 session) required counties to dedicate the equivalent of a 1/12th percent GRT increment for these payments
 - \$24.6 million in FY15
- General fund appropriations total \$10 million for FY16
- Evaluating state funding shortfall for FY16

Questions?