

HHSC has estimated the amount of funds available for 2012 Advance UC Payments by subtracting a UC Payment Reserve of \$660,940,285, and Total Year-to-Date (YTD) Transition Waiver Payments of \$1,865,268,882 from the Total FFY 2012 UC Pool of \$3.7 billion. The balance of approximately \$1,173,790,833 in the UC pool is allocated for the calculation of the 2012 advance waiver payment caps.

2012 Uncompensated Care Pool

\$3,700,000,000		Total FFY 2012 UC Pool
\$660,940,285	Less:	UC Payment Reserve *
\$1,865,268,882	Less:	Total YTD 2012 Transition Waiver Payments
\$1,173,790,833	Equal	2012 Advance Waiver Payment Caps

* The UC Payment Reserve represents the amount of UC waiver pool funds that HHSC is holding in reserve for processing the final 2012 UC payments after providers have submitted UC Tools.

2012 Advance Waiver Payment Caps:

Attached are the 2012 Advance Waiver Payment Caps and associated maximum state share for submitting Intergovernmental Transfers (IGT) for the Advance Waiver payment. The payment methodology for calculating the 2012 Advance Waiver Payment Caps is based upon each eligible provider's Total Volume of Payments which is equal to the provider's FFY 2012 Transition Waiver Cap (for non-DSH hospitals and for physician group practices) or the provider's 2012 DSH Room (for hospitals receiving a 2012 DSH payment). A provider's 2012 Advance Waiver Payment Cap is equal to the provider's annualized 2011 Upper Payment Limit payments. A hospital's 2012 DSH Room is equal to the hospital's 2012 interim hospital specific limit (HSL) less its total 2012 DSH payments. Providers that are not eligible for Transition Waiver payments and did not receive a 2012 DSH payment are not eligible for advance waiver payments.

After determining each provider's Total Volume of Payments, HHSC then applied a proportional 28% reduction, and, for providers eligible for Transition Waiver payments, subtracted Year-to-Date (YTD) 2012 Transition Waiver Payments. In cases where a provider's YTD 2012 Transition Waiver Payments exceeded their "haircut caps" at 72% of Total Volume of Payments, the 2012 Advance Waiver Payment Cap will equal zero and the provider will not receive a 2012 Advance Waiver Payment. This does not mean that the provider is not eligible to receive a final 2012 UC payment based on remaining Transition Waiver cap or based upon submission of a UC Tool.

Final UC payments will be determined after all completed UC Tools are analyzed. Information regarding payments related to final UC payments will be provided in a separate notice after the UC tool deadline of October 26.

Please be advised that if a non-Transition Waiver hospital receives a 2012 Advance Waiver Payment, but does not submit a UC Tool to HHSC, the hospital will be subject to recoupment of 100 percent of their

2012 Advance Waiver Payment. Therefore, non-Transition Waiver hospitals that do not intend to submit a DY1 UC Tool should not IGT for a 2012 Advance Waiver Payment. A Transition Waiver hospital is a hospital that has been receiving Transition Waiver payments; a non-Transition Waiver hospital is a hospital that was not eligible to receive any Transition Waiver payments in FFY 2012.

Every private hospital that receives waiver payments must execute an Indigent Care Affiliation Agreement with the governmental entity that provides the IGT for any type of waiver payment (transition, UC or DSRIP). Private hospitals that received transition payments already have an affiliation agreement on file with HHSC. New affiliation agreements must be submitted if the affiliation terms have changed, if the parties to the affiliation have changed since the last agreement was sent to HHSC or if the private hospital has never submitted an affiliation agreement to HHSC. For more information and links to all forms, please see the attachment titled "Private Hospital Checklist".

If a private hospital receives waiver payments and, 1) HHSC does not receive or have on file an affiliation agreement, or 2) HHSC does not receive both required certifications submitted either with the UC Tool by the deadline of October 26 or with the Regional Healthcare Partnership (RHP) plan by the deadline established for submittal of the RHP plan, the 2012 Advance Waiver Payment will be subject to recoupment.

Furthermore, it should be noted that all providers that receive Transition Waiver and/or Advance Waiver Payments in FFY 2012 may be subject to payment adjustments if final UC allowable costs for all providers exceed the Total FFY 2012 UC Pool. In this case, the payment adjustment would represent a proportional reduction of all FFY 2012 Transition Waiver and UC payments.

Please find below the following IGT schedules for public, private and state institutions for mental disease (IMD) hospitals:

Large Urban Hospitals, Rural Hospitals, and Physician Groups:

Monday, October 8	Enter IGT into Tex Net (send Trace Sheets to HHSC)
Tuesday, October 9	IGT Settlement Date (IGT sweeps)
Wednesday, October 10	HHSC confirms IGTs and begins payment calculations
Wednesday, October 17	Payment Issue Date - Large Urban Hospitals & Physicians
Tuesday, October 23	Payment Issue Date - Rural Hospitals

Private Hospitals and State IMD's:

Wednesday, October 24	Enter IGT into Tex Net (send Trace Sheets to HHSC)
Thursday, October 25	IGT Settlement Date (IGT sweeps)
Tuesday, October 26	HHSC confirms IGTs and begins payment calculations
Friday, November 16	Payment Issue Date – Private Hospitals

HHSC will contact the state owned hospitals to schedule the general revenue transfer for the 2012 Advance Waiver Payments next week.

If you have any questions regarding the 2012 Advance Waiver Payment Caps calculations or IGT schedule, please contact Jill Seime at (512) 491-1863 and jill.seime@hhsc.state.tx.us or Kellie Stephens at (512) 491-1862 and kellie.stephens@hhsc.state.tx.us