

## KEY DECISIONS IN REFORM OF THE ICTF

### THREE MAJOR DECISIONS

1. How will the ICTF be financed?
2. Who will be eligible for ICTF/DSH funds?
3. How will ICTF/DSH funds be allocated among eligible hospitals?

### EACH DECISION HAS VARIOUS OPTIONS

1. There are four options for financing the ICTF:
  - IGTs (made by public hospitals/entities only)
  - Statewide provider tax
  - State General Revenues
  - A combination of the above
2. There are at least four approaches to eligibility:
  - Only hospitals meeting federal MUR and LIUR criteria would be eligible.
  - Hospitals meeting any of the current 9 criteria (which include the MUR and LIUR) would be eligible.
  - Hospitals meeting some more general utilization based criteria (e.g. an expanded MUR criteria).
  - Any hospital with 1 % Medicaid utilization.
3. There are numerous ways of allocating funds, but these fall into two broad categories:
  - Distribution based upon proportionality (utilization or costs).
  - Distribution based upon "pools" of similarly situated providers.

(These approaches are not mutually exclusive and can be combined in various ways.)

### CERTAIN DECISIONS DRIVE OTHER DECISIONS

1. **If IGT's only**, then only public hospitals would qualify, unless CMS allows publics to "cross subsidize" privates.
2. **If provider tax**: any eligibility approach, but there will be pressure to include all hospitals.
3. **If General Revenue**: any eligibility approach, but there will be pressure to restrict eligibility to reduce GR expenditures.

### HOW DOES UPL RELATE TO DSH?

- UPL payment reduces DSH cap
- Gross vs Net

### QUESTIONS?