DRAFT: Pro and Con UCC Proposals for Workgroup Discussion June 5, 2019

PROPOSAL Description	DRAFT Pros	DRAFT Cons
CMS Proposal for FFY 2020 • Use of FFY 2015 Cost Report Data (1 Year only)	• Hospitals that believe their 2015 data is accurate may see a benefit over 2017 data.	• Reliance on just one year of data rather than a 3-year average can produce large swings in a provider's year-to-year payments. • Some hospitals would be paid according to audited data while others would be paid according to unaudited data, creating an unlevel playing field and potential for additional variation introduced by the audit itself (in particular for those that felt adjustments were inappropriate).
CMS Option 2 for FFY 2020 • Use of FFY 2017 Cost Report Data (1 Year Only)	• 2017 data was collected after release of new instructions, but little time for provider education • Never have to worry about auditing FFY 2016.	• The same risks of relying on just one year of data apply. • While we expect CMS desk reviews to begin this summer, that audited data would not be ready for rulemaking. Only those that responded to a request for correction of aberrant 2017 data by May 24th or those that voluntarily adjusted and were accepted by the MAC in anticipation of that deadline would likely see this data used for determination of FFY 2020 UCC payment.
CHA Workgroup Draft Policy: • 2017 data, for use 1 year only • Urge CMS to use this year to audit as much data as possible so updated audited data can be used in 3 year rolling average on a go forward basis (FFY 2021 etc.) • Request all hospitals receive desk reviews • Request one contractor to do all the audits on a go forward basis (New for discussion)	• Moves beyond challenges of 2015 audit findings that vary • 2017 data shows marked improvements in reliability and validity • Sets up 3 year rolling average on a go forward basis • Consistent with "top line" principled arguments • Data for unavailable 2017 cost reports is limited, should be non-issue	• 2017 data is not audited, but instructions are more clear. • Aberrant data letters were released, and many MACs allowed updates to 2017 data

Alternative #1 • Phase in CHA Workgroup Draft Policy by blending it with a hospital's actual 2019 UCC payment. • FFY 2020: 2/3 of 2019 UCC payment + 1/3 of calculated payment based on the 2017 S-10 report • FFY 2021: 1/3 2019 UCC payment+ 2/3 of average calculated payment from the 2017 and 2018 S-10 reports • FFY 2022: Average of calculated payments from the 2017 - 2018 - 2019 S-10 reports	• This proposal would eventually build up to a 3-year average data set and eliminate the year-to-year swings as quickly as possible while also moving to the most recent data set. • Significantly reduces annual fluctuations in payments prior to 3 years of newer data being available. • Hospitals that would gain or lose under the transition to more recent S-10 data would continue to do so.	• Payments continue to be based, in part, on older, unaudited data for a longer period of time. • Hospitals transition to 100% of S-10 data slower. • Technical challenges for CMS?
Alternative #2 Identical to Additional Policy #1, but with a recalculated 2019 payment amount using 2015 S-10 data that is updated to reflect the results of the audits.	• Same pros as alternative #1 but also incorporates results of 2015 data audits.	• Same cons as alternative #1 but 2015 data audits only modified data for some hospitals, so this would be based on an inconsistent application of reporting standards.