

**Meeting of the Provider Assessment Work Group**  
**Meeting #4**  
**Virginia General Assembly Building, Capitol Square**  
**House Room D**  
**201 North 9<sup>th</sup> Street**  
**Richmond, VA 23218**  
**December 4, 2015**  
**DRAFT Minutes**

**CALL TO ORDER**

Ms. Anna Healy James, Policy Director in the Office of the Governor, called the meeting to order at 9:00 a.m. Ms. James welcomed members and reviewed the agenda. Ms. James provided corrected contact information for member Peter Gallagher who is Senior VP and CFO for Valley Health System.

**REVIEW OF DRAFT RECOMMENDATION**

Ms. James opened the discussion on the review of the draft report on a hospital provider assessment report. Ms. James noted several amendments which will be included in the revised draft. Specifically, she stated on page 4, under Criterion 3 of the current draft report to the Chairmen of the House Appropriations and Senate Finance Committees on a Hospital Provider Assessment Program, the sentence, “Members of the Provider Assessment Work Group unanimously endorsed Medicaid expansion,” will be amended and removed from the document.

Dr. Hazel facilitated the discussion of the draft report and read the four recommendations.

**Recommendation 1** – That the General Assembly authorize an assessment from private acute hospitals coupled with other changes that ensures that hospitals benefit as a whole and that hospital systems have a net benefit.

**Recommendation 2** – That revenue from the provider assessment is used to fund the non-federal share of higher payments to hospitals up to the equivalent of the upper payment limit. The total available room is \$400 million and the non-federal share of that is \$200 million. In addition to across the board rate increases, some of the funding should be dedicated to increases in payments for medical education and higher payments for rural hospitals.

**Recommendation 3** – That the provider assessment can also be used to support expanded coverage, and to the extent it does so, the assessment should be considered for entities that stand to benefit from the newly insured.

**Recommendation 4** – That the General Assembly includes safeguards to ensure that a hospital provider assessment is only used for the purposes in this report, including creation of a segregated fund with limited purposes for the receipt of provider contributions and maintenance of effort provisions.

After members engaged in discussion and commented on the recommendations, members in attendance voted in favor of Recommendation 1 and 2. For Recommendation 3, members present voted in favor with one member abstaining.

After discussing Recommendation 4, it was decided to defer discussion of Recommendation 4 and discuss a potential Recommendation 5. Member Peter Gallagher and others offered language for Recommendation 5 to emphasize that the provider community would need to be engaged in the development and implementation of any provider assessment program. Recommendation 5 was agreed to unanimously. Then, all present voted in favor of Recommendation 4.

Member Anthony Keck made a motion to strike Attachment D from the draft report. (Attachment D - Budget Language, Item 301.NNNN of the Introduced Budget). Member Beth Bortz seconded.

### **WRAP UP & TIMELINE FOR REPORT**

Ms. James announced any one with additional edits on the report could contact her directly. In addition and without objection, it was agreed that the letter from Sean T. Connaughton, President & Chief Executive Officer at the Virginia Hospital & Healthcare Association was added to the draft report as an appendix.

For the process, Dr. Hazel stated that he would prepare a cover letter to send the report to the General Assembly. Then, the report will be forwarded to be posted on Reports to the General Assembly and members would be notified when posted.

Dr. Hazel thanked everyone for coming and for their contribution toward developing this report.

### **ADJOURNMENT**

Ms. James thanked everyone for attending. The meeting adjourned at 9:40 a.m.

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## **PROVIDER ASSESSMENT WORK GROUP**

### Members attending:

Anna Healy James

Cindi Jones

Beth A. Bortz

Linda D. Wilkinson

C. Novel Martin

Peter Gallagher

Doug Johnson (for Roger Gunter)

William A. Hazel, Jr., MD., ex officio

Anthony Keck

Sheryl Garland

Massey S.J. Whorley

Roderick Manifold

Kurt Hofelich

Richard V. Homan

### Members participating via phone:

Debbie Burcham

Nancy Howell Agee

### Members absent:

James Cole

Sterling Ransone, M.D.

George Reiter

Matthew Turner