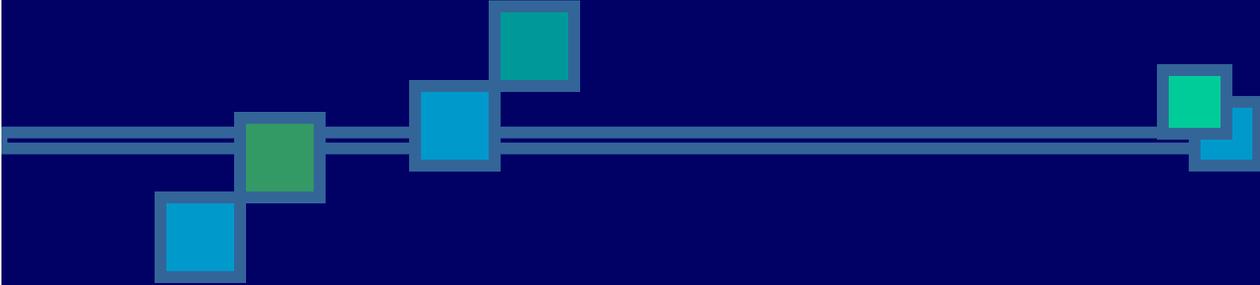


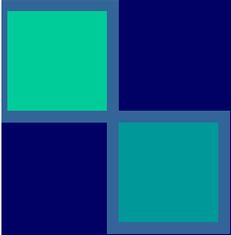
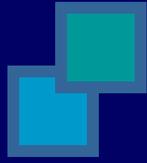
# Transition Payment Ceiling

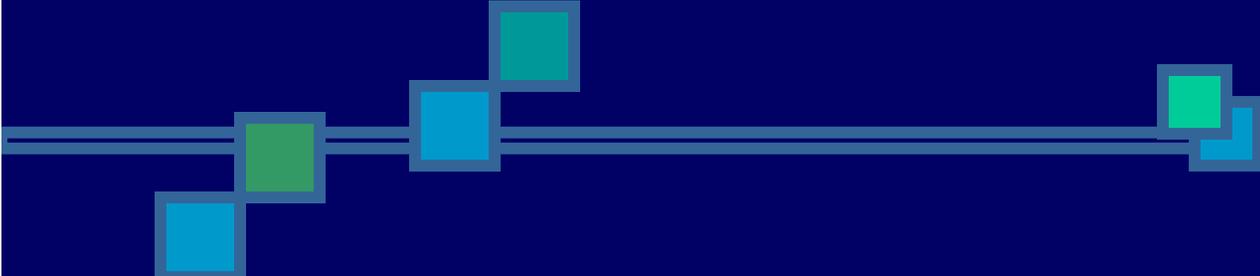


Joseph Drexler



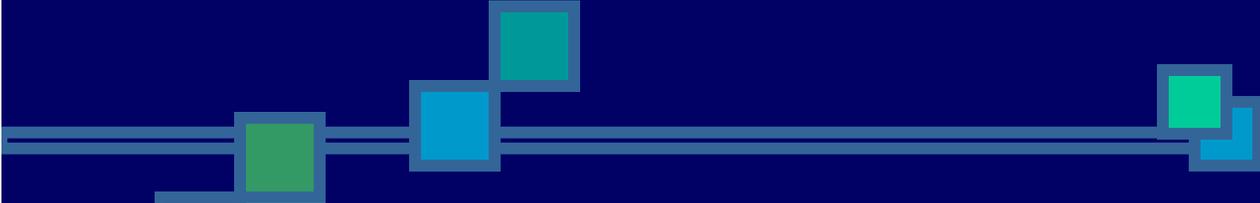
# Presentation

- Transition Payment Ceiling Definition
  - Calculating the Transition Ceiling
- 
- 



## Transition Payment Ceiling Definition

- The transition from the historical funding of a provider to the payments established rates will be done over a number of years.
  - As the transition progresses, providers with historical funding below the established rates will gradually have payments increased until paid at the established rates
  - The transition ceiling limits providers from receiving both the benefit of their historical high rate and the benefit of utilization over 90%.
- 



# Calculating the Transition Floor

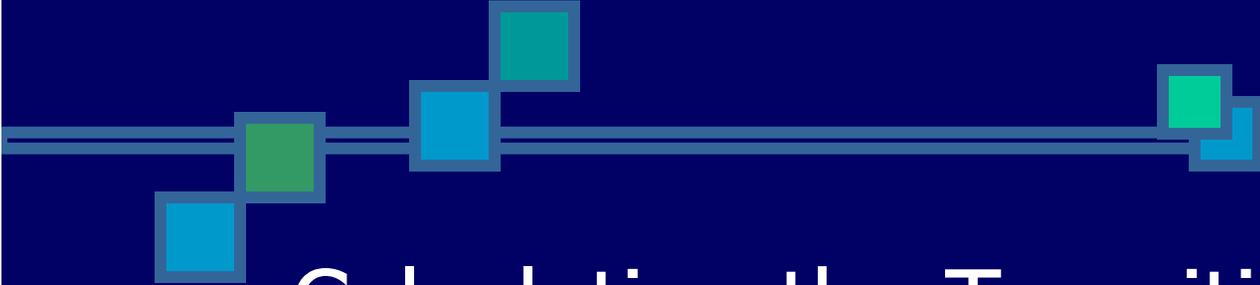
- The transition ceiling is a calculated amount of reimbursement that a high rate provider will receive until the established rate is reached.
- Since the transition factor assumed 90% attendance, the calculation compares the result for 90% attendance including the transition factor with the result that would be obtained if the rates were used.
- The provider will be limited to receive the amount based on 90% attendance with the transition factor unless it is less than the what the provider would receive using the established rates.
- Once the amount to be reimbursed is greater using the established rates, the provider would be paid the number of days in attendance at the established rate.

## Calculation of Transition Ceiling

The actual calculation for a month is below.

Calculation of Transition Ceiling				
July Potential Days	Actual Days	Percent Utilization	90% of Potential Days	Amount based on 90% of the potential days
22	18	81.82%	19.8	1,986.34
22	20	90.91%	19.8	2,317.39
22	21	95.45%	19.8	2,482.92
22	21	95.45%	19.8	2,648.45
14	13	92.86%	12.6	1,369.37
102	93	91.18%	91.8	10,804.47
Provider Transition Percentage				106%
Payment including transition factor				11,661.87
Allowed Total With Transition Factor				11,452.74
Amount allowed by established rates				11,001.76
Transition Ceiling - Greater of allowed total with transition factor or rates				11,452.74
Amount over allowed transition ceiling				209.13

□



# Calculating the Transition Ceiling

- The calculation for the ceiling is more complicated since changes occur in people served and utilization varies from month to month.
  - A new calculation will be completed each month and a running total kept.
  - An adjustment reducing the amount could be necessary due to monthly variances in utilization.
  - A running total would be kept and payments adjusted in 4th quarter or sooner if necessary.
- 

# Example 1

ceilingmodel4.3.091.xls

	A	B	C	D	E	F	G	H	I	J	K	
1	<b>Higher Funded Provider Examples</b>					<b>Attendance Above 90% and ceiling applies</b>						
2												
3						Payment Amount	Actual	Rates	Payment Amount	Transition	Before Ceiling Actua	
4		Calculated		Calculated	Transition	w/ Trans Factor	Annual		at Rates	Percentage	Fiscal Year	
5		Attendance	Rates	Reimbursement	Percentage	and 90& util	Attendance		and Actual util		Reimbursement	
6							Total					
7	Archie	225	100.32	22,572	104%	23,474.88	216	100.32	21,669.12	104%	22,535.88	
8	Betty	225	117.04	26,334	104%	27,387.36	234	117.04	27,387.36	104%	28,482.85	
9	Charles	225	125.40	28,215	104%	29,343.60	233	125.40	29,218.20	104%	30,386.93	
10	Donald	225	133.76	30,096	104%	31,299.84	231	133.76	30,898.56	104%	32,134.50	
11	Edith	225	108.68	24,453	104%	25,431.12	216	108.68	23,474.88	104%	24,413.88	
12												
13				131670		136,936.80			132,648.12		137,954.04	
14												
15											136,936.80	
16												
17												
18											132,648.12	
19												

# Example 2

ceilingmodel4.3.091.xls

	A	B	C	D	E	F	G	H	I	J	K
20						<b>Attendance below 90% Ceiling does not apply</b>					
21											
22						Payment Amount	Actual	Rates	Payment Amount	Transition	Before Ceiling Actual
23		Calculated		Calculated	Transition	w/ Trans Factor	Annual		at Rates	Percentage	Fiscal Year
24		Attendance	Rates	Reimbursement	Percentage	and 90& util	Attendance		and Actual util		Reimbursement
25							Total				
26	Archie	225	100.32	22572	104%	23,474.88	201	100.32	20,164.32	104%	20,970.89
27	Betty	225	117.04	26334	104%	27,387.36	234	117.04	27,387.36	104%	28,482.85
28	Charles	225	125.4	28215	104%	29,343.60	233	125.40	29,218.20	104%	30,386.93
29	Donald	225	133.76	30096	104%	31,299.84	231	133.76	30,898.56	104%	32,134.50
30	Edith	225	108.68	24453	104%	25,431.12	204	108.68	22,170.72	104%	23,057.55
31											
32				131670		136936.8			129839.16		135032.72
33											
34											136936.8
35											
36											
37											129839.16
38											

# Example 3

Very High Attendance Utilization Ceiling applies and is the rates											
	Calculated		Calculated	Transition	Payment Amount	Actual	Rates	Payment Amount	Transition	Before Ceiling Actua	
	Attendance	Rates	Reimbursement	Percentage	w/ Trans Factor	Annual		at Rates	Percentage	Fiscal Year	
					and 90& util	Attendance		and Actual util		Reimbursement	
						Total					
45	Archie	225	100.32	22,572.00	104%	23,474.88	236	100.32	23,675.52	104%	24,622.54
46	Betty	225	117.04	26,334.00	104%	27,387.36	237	117.04	27,738.48	104%	28,848.02
47	Charles	225	125.40	28,215.00	104%	29,343.60	230	125.40	28,842.00	104%	29,995.68
48	Donald	225	133.76	30,096.00	104%	31,299.84	243	133.76	32,503.68	104%	33,803.83
49	Edith	225	108.68	24,453.00	104%	25,431.12	240	108.68	26,083.20	104%	27,126.53
50											
51			131670			136936.8	1186		138842.88		144396.6
52											
53							0.9488				136936.8
54	<b>Assumptions</b>	<b>No program changes for any consumer in the year</b>									
55		<b>No new consumers added</b>									
56		<b>No consumers deleted</b>									
57		<b>No fiscal changes for any consumer in the fiscal year</b>									
58											138842.88