



## Normative Letter 20-1130

November 30, 2020

**To: Managed Care Organizations (MCOs) contracted to offer services under the Government Health Plan Program (the "Vital" program)**

**Re: SOP - STAC - Hospital State Directed Payment**

The Puerto Rico Health Insurance Administration (ASES), guides the Managed Care Organizations to the Standard Operative Procedure for the Hospital State Directed Payment, approved by CMS. This Hospital payment arrangement is a supplemental as for short-term acute care (STAC) services provided to Plan Vital beneficiaries during the period of January 1, 2020 through September 30, 2021.

The supplemental payments are equal to the difference between the amount that MCOs pay for inpatient hospital services and a percentage of the amount that would be paid for the services under Medicare payment principles.

ASES's three primary goals in providing this new funding to STAC hospitals are:

- To sustain access to inpatient hospital services under the Plan Vital program particularly given the COVID-19 public health emergency.
- To support payment and delivery system transformation activities, including administrative and operational costs associated with transitioning to a DRG-based payment system for inpatient services.
- To incentivize hospitals to code completely and accurately by incorporating a DRG case-mix component to the fund's distribution formula.

This Short-Term Acute Care (STAC) Directed Payment Standard Operating Procedure (SOP) outlines the process that is in place to properly make the supplemental payments to short term acute care hospitals for services provided to Plan Vital members.



ASES will require the MCOs to include in their contract with the hospitals the following terms:

1. The MCOs must issue the payments to the Hospitals within **5 business days** of receipt of funds from ASES.
2. The MCOs must submit Attestation to ASES **48 hours** after the Hospital Payment.
3. In the event of recoupment, the MCOs must inform the Hospitals about the recoupment balance within **5 business days** of notification from ASES and shall have **60 days** after notification to the Hospitals to recoup the balance. Attestation must be submitted to ASES **48 hours /2 working days** after recoupment was made.
4. The MCOs contracts with STAC hospitals shall include the following, in addition to the previous required provisions, as applicable:
  - i. STAC hospital shall work with Contractor in the transition to a DRG-based payment system for inpatient services, as set forth by ASES.
  - ii. Contractor shall transfer to STAC hospital the corresponding amount of supplemental payment for services provided to Plan Vital beneficiaries, subject to meeting the necessary requirements for said payment and as determined by ASES.
  - iii. In the event a recoupment is necessary, STAC hospital shall cooperate with Contractor to return to ASES the determined recoupment amount within the timeframe specified by ASES.

All MCOs must comply and submit the corresponding payments as required by ASES.

Cordially,

Jorge E. Galva, JD, MHA  
Executive Director

Attachment

