



Milwaukee County

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Title: From the County Controller, an update on Matters Relating to John L. Doyne Hospital and the cost reimbursement from Medicare for post retirement health costs of the hospital. (INFORMATIONAL UNLESS OTHERWISE DIRECTED BY THE COMMITTEE)

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6/16/2011	1	Finance and Audit Committee	DISCUSSED WITH NO ACTION TAKEN	
6/6/2011	1	Board Chairman	ASSIGNED	

From the County Controller, an update on Matters Relating to John L. Doyne Hospital and the cost reimbursement from Medicare for post retirement health costs of the hospital. (**INFORMATIONAL UNLESS OTHERWISE DIRECTED BY THE COMMITTEE**)

Milwaukee County had filed for Medicare cost reimbursement for the post-retirement health care expenses of former John L. Doyne Hospital employees. The claim was originally made in 1996, after the closing of Doyne Hospital. The County has made various attempts to recoup the cost reimbursement, including filings with the U.S. District Court in Washington, D.C. Staff is of the current position that any further attempts to receive cost reimbursement from Medicare will not be successful.

The County received a decision from the Department of Health and Human Services Provider Reimbursement Review Board (PRRB) on April 13, 2011. The PRRB acts as the intermediary, on behalf of Medicare, on cases such as these. The U.S. District Court had sent the case back to the PRRB, to answer issues that the County had raised in previous filings with the PRRB. The PRRB decision has now answered all questions of reimbursement by the County and the U.S. District Court. The decision finds that under Medicare policy the County cannot make a claim for post-retirement health care expenses of former hospital employees as an administrative cost of the terminating provider.

All opportunities for appeal within DHHS, including the PRRB are now exhausted. The County could take the appeal back to the U.S. District Court. However, the decision by the US District Court, on the County's first appeal to that court found the PRRB arguments to be successful in all points, except for the inclusion of costs as a administrative cost of closing, which had not been answered by the PRRB. The unanswered question was referred back to the PRRB and was argued before them on April 1,

2010. The PRRB has now answered the US District Court open question. If appealed, the Court is likely to rule in favor of the PRRB administrative ruling that the post-retirement health care costs are not includable as a closing cost. In other words, our appeal to US District Court is not likely to be successful. For that reason, I have not requested and am not recommending any further appeal of this issue.

It is the recommendation of staff that the County close its case regarding Medicare reimbursement of post-retirement health costs of former Doyne Hospital employees.