

**AMENDED PUBLIC HEARING NOTICE
OHIO DEPARTMENT OF MEDICAID**

DATE: 11/18/2019
TIME: 10:30 AM
LOCATION: Lazarus Building, Room B501
50 W. Town St., Columbus, Ohio 43215-3414

Pursuant to section 5164.02 and Chapter 119. of the Ohio Revised Code, the director of the Ohio Department of Medicaid (department) gives this amended notice of the department's intent to adopt, amend, or rescind the rule as identified below and of a public hearing thereon.

A public hearing notice was originally issued on or about October 16, 2019 to inform the public of the hospital additional payment methodology being proposed by the department. This amended notice reflects changes to the proposed hospital additional payment methodology that have been made since the filing of the public notice.

The department is proposing to create an additional payment methodology in the form of a cost coverage add-on payment to ensure adequate access for Medicaid recipients to inpatient and outpatient hospital services.

Rule 5160-2-60, entitled Hospital Cost Coverage Add-On, is being proposed for adoption. This proposed rule sets forth the methodology in which the Department will provide to hospitals a cost coverage add-on. This cost coverage add-on, which is case-mix adjusted, will be added to a hospital's base rates for each inpatient discharge or outpatient service on or after the effective date of the rule for those hospitals paid under the "All Patient Refined-Diagnosis Related Group" (APR-DRG) inpatient prospective payment system and the "Enhanced Ambulatory Patient Grouping" (EAPG) outpatient prospective payment system. For those hospitals excluded from the prospective payment systems, the cost coverage add-on will be a percentage increase to their prospective inpatient and outpatient cost-to-charge ratios for discharges or services on or after the effective date of the rule.

The cost coverage add-on amount is allocated from five policy pools based on appropriated funds each state fiscal year. The first allocation pool is the inpatient cost coverage standard pool, which allocates the lesser of \$258,623,007.81 or 36.30% of the appropriated funds. The second allocation pool is the outpatient cost coverage standard pool, which is the lesser of \$168,660,705.79 or 23.67% of the appropriated funds. The third allocation pool is the cost coverage sustainability pool, which is the sum of the lesser of \$233,000,000.00 or 32.70% of the appropriated funds and the greater of 7.33% or the balance of the appropriated funds. The fourth allocation pool is the low volume psychiatric hospitals pool, which allocates 1.86% of the greater of 7.33% portion of the cost coverage sustainability pool or the balance of the appropriated funds. The fifth allocation pool is for hospitals with a dedicated psychiatric emergency department established prior to October 1, 2019, located in a general acute care hospital, and who do not participate in the Care

Innovation and Community Improvement Program (CICIP). These hospitals will receive an allocation in the amount of \$9,500,000.00.

The additional changes include clarifying that the cost add-on is exempt from the Medicaid maximum allowed amount calculation, replacing Ohio Administrative Code citations with a description of the types of applicable payment systems, removing inapplicable Ohio Administrative code provisions, clarifying that a low volume psychiatric hospital refers to a privately-owned freestanding psychiatric hospital, updating the inpatient standard pool amount from \$258,623,007.81 to \$259,229,112.31 and the percentage allocation from 36.30% to 36.38%, updating the outpatient standard pool from \$168,660,705.79 to \$168,054,601.29 and the percentage allocation from 23.67% to 23.59%, adding language to specify if there are no low volume psychiatric hospitals then the amount allocated to low volume psychiatric hospitals will be allocated to all private-owned freestanding psychiatric hospitals, revising a provision to add outpatient amounts allocated to freestanding psychiatric hospitals to the inpatient cost coverage pool amounts, and updating language and paragraph references.

A copy of the proposed rule is available, without charge, to any person at the address listed below. The rule is also available on the internet at <http://www.registerofohio.state.oh.us/>. A public hearing on the proposed rule will be held at the date, time, and location listed at the top of this notice. Both written and oral testimony will be taken at the public hearing. Additionally, written comments submitted or postmarked no later than the date of the public hearing will be treated as testimony.

Requests for a copy of the proposed rule and testimony on the rule should be submitted by mail to the Ohio Department of Medicaid Rule Administrator, Office of Chief Legal Counsel, 50 W. Town Street, Suite 400, Columbus, Ohio 43215-3414, by fax at (614) 995-1301, or by e-mail at Rules@Medicaid.Ohio.gov. Testimony received may be reviewed at this address.