

**LEGAL NOTICE
STATE OF OHIO
OHIO DEPARTMENT OF MEDICAID**

Pursuant to sections 1902(a)(13)(A) of the Social Security Act and 42 CFR 447.205, the director of the Ohio Department of Medicaid (Department) gives notice of the Department's intent to modify provisions relating to the inpatient hospital reimbursement methodology for hospitals participating in the Medicaid program. The proposed changes 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 services.

The 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 anticipated effective date 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 the hospitals' prospective inpatient and outpatient cost-to-charge ratios for discharges or services on or after the effective date of this proposed change.

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 for psychiatric hospitals with less than 400 Medicaid discharges. The fourth allocation pool 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, which do not participate in the Care Innovation and Community Improvement Program (CICIP). These hospitals will be allocated \$9,500,000.00.

The Department estimates that the cost coverage add-on will increase annual Medicaid expenditures for inpatient and outpatient services by an estimated \$394.5 million.

Any person may examine and obtain a copy of this proposed implementation, without charge, at the following locations:

Ohio Department of Medicaid, 50 West Town Street, Suite 400, Columbus, Ohio 43215; or
Any county department of job and family services; or
On the internet at <http://www.registerofohio.state.oh.us> by searching Ohio Administrative Code rule 5160-2-60.

Written comments regarding these changes may be submitted by mail to the Ohio Department of Medicaid, attn.: Bureau of Health Plan Policy, 50 West Town Street, Suite 400, Columbus, Ohio 43215-3414 and may be reviewed at the same location. Comments may also be provided by e-mail to the following address: hospital_policy@medicaid.ohio.gov. Comments must be submitted no later than November 18, 2019.