

## Rule Summary and Fiscal Analysis

### Part A - General Questions

**Rule Number:** 5160-2-08.1  
**Rule Type:** Amendment  
**Rule Title/Tagline:** Assessment rates.  
**Agency Name:** Ohio Department of Medicaid  
**Division:**  
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#### I. Rule Summary

1. **Is this a five year rule review?** No
  - A. **What is the rule's five year review date?** 1/1/2022
2. **Is this rule the result of recent legislation?** No
3. **What statute is this rule being promulgated under?** 119.03
4. **What statute(s) grant rule writing authority?** 5168.02, 5168.06
5. **What statute(s) does the rule implement or amplify?** 5168.02, 5168.06, 5168.07, 5168.08
6. **What are the reasons for proposing the rule?**

This rule is being proposed for amendment to update the assessment rates for the current and past program year for the Hospital Care Assurance Program (HCAP)
7. **Summarize the rule's content, and if this is an amended rule, also summarize the rule's changes.**

This rule sets forth the assessment rate for HCAP. Each year the assessment rates are re-determined based upon the submitted cost reports, the number of hospitals and stakeholder input.

This rule is being amended to remove the opening paragraph. This rule is also being amended to add definitions of "program year", "current program year" and "past program year" in paragraph (B). Paragraph (C) is being amended to add clarification of the program years referenced in this paragraph. This rule is further being amended to establish the assessment rates for the HCAP current program year in paragraph (D). Hospitals will be assessed 1.5% of a hospital's adjusted total facility costs up to \$216,372,500 and 1% for any amount in excess of \$216,372,500. The sum of the two products will be each hospital's assessment amount for the current program year. Paragraph (D) was further amended to include the department may establish a lower rate based on the assessment necessary to maximize the disproportionate share allotment for the current program year. Paragraph (E) is being amended to establish that for past program years in which the federal disproportionate share allotment has increased, the department shall notify hospitals via rate letter of an adjusted assessment rate for the past program year to collect the state share necessary to expend the additional allotment. The adjusted assessment rate will be calculated in the same manner as the original assessment rate applicable to the past program year. The assessment collected will then be matched with federal funds and distributed to hospitals based upon the distribution model for the applicable past program year. Paragraph (E) is further being amended to require the department, for past program years in which the federal disproportionate share allotment has decreased, to recalculate the distribution for that program year and notify hospitals of the amount to be recouped. Of the total amount recouped, the portion that was federally funded shall be returned to CMS. The portion of the recoupment that is state funds shall be applied toward the required assessment for a future program year. The department will notify hospital by rate letter of any adjustments.

8. **Does the rule incorporate material by reference? Yes**
9. **If the rule incorporates material by reference and the agency claims the material is exempt pursuant to R.C. 121.71 to 121.76, please explain the basis for the exemption and how an individual can find the referenced material.**

The rule incorporates one or more references to another rule or rules of the Ohio Administrative Code. This question is not applicable to an incorporation by reference to another OAC rule because such reference is exempt from compliance with RC 121.71 to 121.74 pursuant to RC 121.76(A)(3).

This rule incorporates one or more references to the Ohio Revised Code. This question is not applicable to any incorporation by reference to the Ohio Revised Code because such references is exempt from compliance with RC 121.71 to 121.74 Pursuant to RC 121.76(A)(1).

10. If revising or re-filing the rule, please indicate the changes made in the revised or re-filed version of the rule.

*Not Applicable*

## II. Fiscal Analysis

11. As a result of this proposed rule, please estimate the increase / decrease in revenues or expenditures affecting this agency, or the state generally, in the current biennium or future years. If the proposed rule is likely to have a different fiscal effect in future years, please describe the expected difference and operation.

This will increase revenues.

\$236,288,303

Total program assessment revenues are approximately \$236,288,303 for program year 2018. This is an increase of approximately \$12,508,354, compared to HCAP 2017 due to a combination of the decrease in Ohio's Federal Medical Assistance Percentage (FMAP) and an increase in Ohio's federal allotment. These funds will be used to make Disproportionate Share Hospital (DSH) payments to Ohio hospitals totaling approximately \$633 million through rule 5160-2-09.

12. What are the estimated costs of compliance for all persons and/or organizations directly affected by the rule?

There is no cost of compliance.

13. Does the rule increase local government costs? (If yes, you must complete an RSFA Part B). No

14. Does the rule regulate environmental protection? (If yes, you must complete an RSFA Part C). No

## III. Common Sense Initiative (CSI) Questions

15. Was this rule filed with the Common Sense Initiative Office? No

16. Does this rule have an adverse impact on business? No

- A. Does this rule require a license, permit, or any other prior authorization to engage in or operate a line of business? No

- B. Does this rule impose a criminal penalty, a civil penalty, or another sanction, or create a cause of action, for failure to comply with its terms? No**
  
- C. Does this rule require specific expenditures or the report of information as a condition of compliance? No**