

FEDERAL MEDICAID NOTICE AND PUBLIC HEARING NOTICE  
OHIO DEPARTMENT OF JOB AND FAMILY SERVICES

**DATE: June 18, 2008**  
**TIME: 10:00 a.m.**  
**LOCATION: Room 421, 4<sup>th</sup> Floor, Rhodes State Office Tower**  
**30 East Broad St., Columbus, Ohio**

Pursuant to sections 5111.02, 5112.03, and 5112.06 and Chapter 119. of the Ohio Revised Code and 42 CFR 447.205 and section 1902(a)(13)(A) of the Social Security Act, the Director of the Ohio Department of Job and Family Services gives notice of the department's intent to amend rules 5101:3-2-08.1 and 5101:3-2-09 and of a public hearing thereon.

Rule 5101:3-2-08.1, entitled Assessment rates, describes the calculation used to arrive at the assessment rate applied to all hospitals. This rule is being proposed to establish the assessment rates and the cost levels that fund the Hospital Care Assurance Program (HCAP) for the 2008 program year.

Rule 5101:3-2-09, entitled Payment policies for disproportionate share and indigent care adjustments for hospital services, sets forth the conditions, requirements, and operation of HCAP as well as the distribution formula. This rule is being proposed for amendment to update the distribution formula for payment policies for disproportionate share hospitals (DSH) for use in program year 2008.

The proposed distribution formula is updated to reflect more current hospital data, to adjust the methodology used to calculate Medicaid managed care shortfall to use actual Medicaid managed care payment, and to remove the fixed Disproportionate Share Limit pool multiplier and replace it with a series of steps describing the calculation of the multiplier. This will allow the distribution to operate without annual intervention to adjust the multiplier.

The proposed model distributes total HCAP dollars out of eight pools. The first pool is the High Federal Disproportionate Share and Indigent Care Payment Pool, which is money distributed to those hospitals meeting the high federal disproportionate share hospital definition. The second pool, the Medicaid Indigent Care Payment Pool, is distributed to hospitals based upon the percentage of each hospital's Medicaid (including Medicaid managed care payment shortfall) and Title V business to the total for all hospitals. The third pool, the Disability Assistance (DA) and Uncompensated Care Indigent Care Payment Pool, covers the costs to hospitals for uncompensated care provided to patients on DA or with incomes at or below the poverty level, and a portion of the hospitals costs for uncompensated care for patients above the poverty level. The fourth pool, the Rural and Critical Access Payment Pool, distributes money first to Critical Access Hospitals by funding their Medicaid shortfall (up to an aggregate total of \$4,423,221 for Critical Access Hospitals in this program year) by calculating a ratio of each CAH hospital's Medicaid shortfall to the total Medicaid shortfall for all CAH hospitals. The pool then distributes money to rural hospitals based upon the ratio of the gap between a hospital's allocated funds and its hospital-specific OBRA 1993 payment cap to the total of all rural hospitals' payment gap. The fifth pool, the County Redistribution of Closed Hospitals Payment Pool only distributes money within a county if a hospital facility that is identifiable to a unique Medicaid provider number closed. If another hospital does not exist in that county, the

money is instead distributed among hospitals in bordering counties. The available money is distributed to hospitals within a county (or bordering counties) based upon the ratio of that hospital's uncompensated care costs to the countywide (or border countywide) total. The sixth pool, the Children's Hospital Pool, provides a distribution of funds capped at \$7.0 million to children's hospitals with room in their OBRA cap. The seventh pool, the Disproportionate Share Limit Pool, provides a distribution of funds for uncompensated care costs reported by hospitals that have not received their maximum allowable amount through the first six pools. The multiplication factor for the hospital assessment rate used to distribute funds in pool seven is the ratio for all hospitals, which have not received their maximum allowable amount, of adjusted total facility costs divided by total remaining program funds. The Statewide Residual Pool is the eighth pool. In this pool, if a hospital has received more in distributions than the OBRA cap allows, the excess money is subtracted, and then redistributed to hospitals with room in their OBRA cap.

The department estimates that this rule will decrease payments to acute care hospitals by \$11.9 million from the FFY 07 levels on an aggregate basis because of the change in the state's federal match rate. Persons may obtain the proposed payment rates that result from these amendments upon request by calling the Hospital Section of the Bureau of Health Plan Policy at (614) 466-6420.

Copies of the proposed rules are available, without charge, to any person affected by the rule at the address listed below and at the county departments of job and family services. The rules are also available on the internet at <http://www.registerofohio.state.oh.us/>. A public hearing on the proposed rules will be held at the date, time, and location listed at the top of this notice. Either written or 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 rules or comments on the rules should be submitted by mail to the Ohio Department of Job and Family Services, Office of Legal Services, 30 East Broad Street, 31st Floor, Columbus, Ohio 43215-3414, by fax at (614) 752-8298, or by e-mail at [rules@odjfs.state.oh.us](mailto:rules@odjfs.state.oh.us). Comments received may be reviewed at this address.