

FEDERAL MEDICAID NOTICE AND PUBLIC HEARING NOTICE
OHIO DEPARTMENT OF MEDICAID

DATE: April 20, 2015
TIME: 11:00 a.m.
LOCATION: Room B538, Lazarus Building
50 West Town Street, Columbus, OH 43215

Pursuant to sections 5164.02, 5168.02, and 5168.06 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 Medicaid gives notice of the department's intent to amend rules 5160-2-07.5, 5160-2-07.17, 5160-2-08, 5160-2-08.1, 5160-2-09, 5160-2-10 and of a public hearing thereon.

Rule 5160-2-07.5, entitled Disproportionate share adjustment, is being proposed for rescission. The methodology for determining the hospital-specific disproportionate share limit is now incorporated into Ohio Administrative Code (OAC) rule 5160-2-09.

Rule 5160-2-07.17, entitled Provision of basic, medically necessary hospital-level services. This rule sets forth the requirements that hospitals shall provide, without charge, basic, medically necessary hospital services to the individual who is a resident of this state, is not a recipient of the Medicaid program, and whose income is at or below the federal poverty line. This rule is being proposed for amendment to update references to the rule, update references to sections of the Ohio Administrative Code, update references to the Ohio Revised Code, and to comply with Ohio's five-year rule review requirements. There are no policy changes to this rule.

Rule 5160-2-08, entitled, Data policies for disproportionate share and indigent care adjustments for hospital services, describes the data source for data elements used in the Hospital Care Assurance Program. This rule is being proposed for amendment to update references to the rule, update references to sections of the Ohio Administrative, update references to the Ohio Revised Code, and to comply with Ohio's five-year rule review requirements. There are no policy changes to this rule.

Rule 5160-2-08.1, entitled Assessment rates, describes the calculation used to arrive at the assessment rate applied to all hospitals. This rule is being proposed for amendment to establish the assessment rates and the cost levels that fund the Hospital Care Assurance Program (HCAP) for the 2014 program year and to comply with Ohio's five-year rule review requirements.

This rule sets forth the assessment rates for the Hospital Care Assurance Program. The amendment updates paragraph (B) to specify to which program year(s) the rule applies. Paragraph (C) establishes an assessment rate of 0.008401502 of a hospital's adjusted total facility costs up to \$216,372,500 and 0.00663 for any amount in excess of \$216,372,500, for the FFY 2014 HCAP program.

Rule 5160-2-09, 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 2014. Paragraph (J) of this rule was added to incorporate the determination of the hospital-specific disproportionate share limit and to add an obstetric services requirement in order to determine if a hospital qualifies as a disproportionate share hospital. This rule is also being amended to update references to the rule, update references to sections of the Ohio Administrative Code, update references to the Ohio Revised Code, and to comply with Ohio's five-year rule review requirements

The proposed distribution formula is updated to reflect more current hospital data and to update the predetermined percentage of the total funds available for distribution allocated to each pool based on stakeholder input.

The proposed model distributes total HCAP dollars out of seven 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 percentage allocated to this payment pool is 12 percent and the amount allocated is \$71.2 million. The second pool, the Medicaid shortfall and Uncompensated Care Payment Pool, is distributed to hospitals based upon the percentage of each hospital's remaining portion of their hospital-specific disproportionate share limit to the total disproportionate share limit for all hospitals in the pool. The percentage allocated to this payment pool is 60.38 percent and the amount allocated is \$358.7 million. The third pool, the Disability Assistance (DA) and Uncompensated Care Indigent Care Payment Pool, is distributed based on each hospital's uncompensated care costs below the poverty level. The calculation for the portion of the hospitals costs for uncompensated care for patients above the poverty level has been removed. The percentage allocated to this payment pool is 16.88 percent and the amount allocated is \$100.3 million. The fourth pool, the Rural and Critical Access Payment Pool, distributes a total allocation of 8.76 percent, or \$52 million. Critical Access Hospitals (CAH) receive 38.81 percent of this pool, approximately \$20.2 million based on the ratio of each hospital's remaining disproportionate share limit to the total remaining disproportionate share limit for all CAHs. The balance of \$31.8 million is distributed to the Rural Access Hospitals (RAH) based on the ratio of the remaining disproportionate share limit for each RAH and the total remaining disproportionate share limit for each RAH. 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 funds to children's hospitals with room in their OBRA cap. The percentage allocated to this payment pool is 1.98 percent and the amount allocated is \$11.8 million. The Statewide Residual Pool is the seventh 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 increase payments to acute care hospitals by \$16.1 million from the FFY 13 levels on an aggregate basis because of a change in the state's federal

match rate and an increase in the state's Federal Disproportionate Share allotment.

Rule 5160-2-10, entitled Payment policies for disproportionate share and indigent care adjustments for psychiatric hospitals, sets forth the conditions, requirements, and operation of the disproportionate share and indigent care program for psychiatric hospitals as well as the distribution formula. This rule is being proposed for amendment to update references to the rule, update references to sections of the Ohio Administrative, update references to the Ohio Revised Code, and to comply with Ohio's five-year rule review requirements. There are no policy changes to this rule.

A copy of the proposed rules are available, without charge, to any person affected by the rules at the address listed below. A public hearing on the proposed rules 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 rules and testimony on the rules should be submitted by mail to the Ohio Department of Medicaid Rule Administrator, Office of Legal Counsel, 50 West Town Street, Suite 400, Columbus, Ohio 43215-3414, by fax at (614) 752-3986, or by e-mail at rules@medicaid.ohio.gov. Testimony received may be reviewed at this address.