

**MEMORANDUM**

TO: Jenelle Donovan-Lyle, Ohio Department of Medicaid

FROM: Paula Steele, Regulatory Policy Advocate

DATE: October 8, 2013

RE: **CSI Review – HCAP Assessment Rates 2013** (OAC 5101:3-2-08.1)

On behalf of Lt. Governor Mary Taylor, and pursuant to the authority granted to the Common Sense Initiative (CSI) Office under Ohio Revised Code (ORC) section 107.54, the CSI Office has reviewed the abovementioned administrative rule package and associated Business Impact Analysis (BIA). This memo represents the CSI Office's comments to the Agency as provided for in ORC 107.54.

Analysis

The Ohio Department of Medicaid (ODM) submitted one amended rule to the CSI Office for review. Rule 5101:3-208.1 sets forth the assessment rates for the Hospital Care Assurance Program (HCAP). The rule package was filed with the CSI Office on September 12, 2013, and the comment period for the rules closed on September 17, 2013. One party commented during the public comment period.

The proposed amendments specify the year for which the rule applies, establishes the assessment rates for that period, and changes references from the Office of Medical Assistance to the Department of Medicaid. The proposed rule implements the federal requirement of states to make Disproportionate Share Hospital payments to hospitals providing care to Medicaid consumers, patients below the poverty line, or the uninsured. HCAP is Ohio's mechanism to implement the federal requirement. While federal regulations do not require an assessment on hospitals, ORC 5112.06 requires acute care general hospitals (non-psychiatric hospitals) to pay an assessment in order to provide required matching funds for HCAP as well as the Legislative Budget Services Fund and the Health Care Services Administration Fund.

During the early stakeholder outreach process, the Department reviewed data with the Ohio Hospital Association (OHA) to determine the necessary assessment rates. During the public comment period, OHA indicated it was in favor of the proposed rule.

After reviewing the proposed rule and the associated BIA, the CSI Office has determined that the rule satisfactorily meets the standards espoused by the CSI Office, and the purpose of the rule is justified.

Recommendation

For the reasons explained above this office does not have any recommendations regarding this rule package.

Conclusion

Based on the above comments, the CSI Office concludes that the Agency should proceed with the formal filing of this rule package with the Joint Committee on Agency Rule Review.

cc: Mark Hamlin, Lt. Governor's Office