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State/Territory Name: District of Columbia

State Plan Amendment (SPA) #: 16-005

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
150 S. Independence Mall West
Suite 216, The Public Ledger Building
Philadelphia, Pennsylvania 19106-3499



Region III/Division of Medicaid and Children's Health Operations

SWIFT # 082620164004

November 8, 2016

Claudia Schlosberg, J.D.
Senior Deputy Director/Medicaid Director
Department of Health Care Finance
441 4th Street, N.W., 9th floor, South
Washington, D.C. 20001

Dear Ms. Schlosberg:

I am writing to inform you that we have reviewed the District of Columbia's State Plan Amendment (SPA) 16-005 entitled, Outpatient Hospital Services Supplemental Payment. This amendment will continue the District's ability to provide supplemental payments to eligible District hospitals that participate in the Medicaid program. Supplemental payments for outpatient hospital services will occur during the period October 1, 2016 through September 30, 2017.

We are pleased to inform you that, after extensive review, this amendment is approved; its effective date is October 1, 2016. A copy of the approved SPA pages and signed CMS-179 form are included under this cover.

If you have any further questions regarding this SPA, please contact LCDR Frankeena Wright at 215-861-4754 or by email at Frankeena.Wright@cms.hhs.gov.

Sincerely,



Francis McCullough
Associate Regional Administrator

Enclosures

cc: Alice Weiss, DHCF

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES	1. TRANSMITTAL NUMBER: 16-005	2. STATE District of Columbia
	3. PROGRAM IDENTIFICATION: Title XIX of the Social Security Act	
TO: Regional Administrator Centers for Medicare & Medicaid Services Department of Health and Human Services	4. PROPOSED EFFECTIVE DATE October 1, 2016	

5. TYPE OF PLAN MATERIAL (Check One):

NEW STATE PLAN AMENDMENT TO BE CONSIDERED AS NEW PLAN AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)


6. FEDERAL STATUTE/REGULATION CITATION 42 USCA § 1396a(30) and 42 CFR § 447.321	7. FEDERAL BUDGET IMPACT FFY17: \$ 15,304,392
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT Attachment 4.19B, Part I: pages 6a-5 - 6a-6	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) Attachment 4.19B, Part I: pages 6a-5 - 6a-6

10. SUBJECT OF AMENDMENT:

Outpatient Hospital Supplemental Payment

11. GOVERNOR'S REVIEW (Check One)

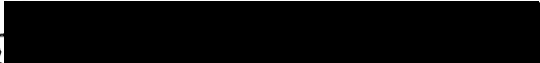
GOVERNOR'S OFFICE REPORTED NO COMMENT OTHER, AS SPECIFIED:
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED D.C. Act: 21-463
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL 	16. RETURN TO Claudia Schlosberg, J.D. Senior Deputy Director/Medicaid Director Department of Health Care Finance 441 4 th Street, NW, 9 th Floor, South Washington, DC 20001
13. TYPED NAME Claudia Schlosberg J.D.	
14. TITLE Senior Deputy Director/Medicaid Director	
15. DATE SUBMITTED AUG 25 2016	

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED August 25, 2016	18. DATE APPROVED November 8, 2016
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PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL October 1, 2016	20. SIGNATURE OF REGIONAL OFFICIAL 
21. TYPED NAME Francis McCullough	22. Associate Regional Administrator

Definitions

For purposes of this section, the following terms shall have the meanings ascribed:

1. Available spending room – The remaining room for outpatient hospital reimbursement that when combined with all other outpatient payments made under the District’s Medicaid State Plan shall not exceed the allowable federal outpatient hospital upper payment limited specified in 42 C.F.R. § 447.321.
2. Base year – The standardized year on which rates for all hospitals for outpatient hospital services are calculated to derive a prospective payment system.
3. Budget target- The total amount of claims payment that DHCF anticipates spending on all hospital outpatient claims during its fiscal year.
4. Conversion Factor – The dollar value which is dependent upon the District’s budget target and multiplied by the final EAPG weight for each EAPG on a claim to determine the total allowable payment for a visit.
5. Consolidation – Collapsing multiple significant procedures into one EAPG during the same visit which is then used to determine payment under the EAPG classification system reimbursement methodology.
6. Department of Health Care Finance – The single state agency responsible for the administration of the District of Columbia’s Medicaid program.
7. Discounting - The reduction in payment for an EAPG when significant procedures or ancillary services are repeated during the same visit or in the presence of certain CPT/HCPCS modifiers.
8. Disproportionate Share Hospital – A hospital located in the District of Columbia that meets the qualifications established pursuant to 42 U.S.C. § 1396r-4.
9. District Fiscal Year – The period between October 1st and September 30th; used to calculate the District’s annual budget.

k. Outpatient Hospital Supplemental Payment

Beginning Fiscal Year 2017, each eligible hospital shall receive a supplemental hospital access payment calculated as set forth below:

- 1) For visits and services beginning October 1, 2016 and ending on September 30, 2017, quarterly access payments shall be made to each eligible private hospital. Each payment shall be an amount equal to each hospital's District Fiscal Year (DFY) 2014 outpatient Medicaid payments divided by the total in District private hospital DFY 2014 outpatient Medicaid payments multiplied by one quarter (1/4) of the total outpatient private hospital access payment pool. The total outpatient private hospital access payment pool shall be equal to the total available spending room under the private hospital outpatient Medicaid upper payment limit for DFY 2017 as determined by the State Medicaid agency;
- 2) Applicable private hospital DFY 2014 outpatient Medicaid payments shall include all outpatient Medicaid payments to Medicaid participating hospitals located within the District of Columbia except for the United Medical Center; and
- 3) For visits and services beginning October 1, 2016, quarterly access payments shall be made to the United Medical Center. Each payment shall be equal to one quarter (1/4) of the total outpatient public hospital access payment pool. The total outpatient public hospital access payment pool shall be equal to the total available spending room under the District-operated hospital outpatient Medicaid upper payment limit for DFY 2017.

l. Appeals

All in-District and out-of-District hospitals that provide outpatient services shall be subject to the appeal and administrative review requirements described under Part V, Attachment 4.19-A of the State Plan.