

- D. Factor 4 is the disproportionate share adjustor. An adjustment for approved disproportionate share hospitals as determined by the D.C. Title XIX Single State Agency shall be applied. The disproportionate share adjustor shall be the lesser of:
- (a) the DSP adjustment factor as determined by the D.C. Title XIX Single state Agency or
 - (b) The minimum payment amount required by federal law. For example, if the D.C. Medicaid DSP for a hospital is 2.3% factor 4 under this methodology will be 1.023.
 - (c) Starting in April 2004, the MMAP will phase in a transition to the use of the hospitals' uncompensated care ratio (UCC) consisting of charity care and bad debt, to replace the D.C. Medicaid DSP. For acute children's hospitals, the MMAP will adjust this factor to reflect the ratio of utilization of services provided to children in the MMAP HealthChoice Program versus the services provided to fee for service recipients.
 - (d) The phase in period will occur over a three-year period with 100% use of UCC beginning July 2006.
 - (e) In no case shall the MMAP pay more than charges. Thus the percent of charges paid shall not be greater than 1.000.
 - (f) Payment for administrative days will be according to: (a) a projected average Medicaid nursing home payment rate; or (b) if the hospital has a unit which is the lesser of that described in (a), or the allowable costs in effect under Medicare for extended services provided to patients of the unit.
 - (g) For acute children's hospitals, the MMAP will pay based on maintaining the revenue at fiscal 2009 level.
 - (h) For other D.C. hospitals, effective September 1, 2009, the rate created by (a) through (e) will be reduced by 2%, and maintained at that level going forward.
10. Payment for administrative days for recipients awaiting discharge from a psychiatric hospital to a residential treatment center will be according to the average Medicaid residential treatment center payment rate.
11. The Department reimburses a residential treatment center, except an in-state children's residential treatment center, the lesser of, the provider's usual and customary charge, the provider's per diem cost for covered services established in accordance with Medicare principles of reasonable cost reimbursement as described in 42 CFR 413, or \$300 per day effective November 1, 1995. The \$300 per day will be up-dated annually by the Centers for Medicare and Medicaid Service's published federal fiscal year market basket increase percentage relating to hospitals excluded from the prospective payment system.
12. Children's residential treatment center: A children's residential treatment center is a residential treatment center that admits patients 12 years of age and under. An in-state children's residential treatment center shall be reimbursed the lesser of, the provider's usual and customary charge, the provider's per diem cost for covered services established in accordance with Medicare principles of reasonable cost reimbursement as described in 42 CFR 413, or \$600 per day effective December 1, 2009. The \$600 per day will be up-dated annually by the Centers for Medicare and Medicaid Service's published federal fiscal year market basket increase percentage relating to hospitals excluded from the prospective payment system.

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