2-a. 1. **Supplemental outpatient hospital upper limit payments for private, public non state-owned and public state-owned hospitals**

For each Ohio hospital, paid under the prospective payment system for outpatient services, calculate the estimated amount that Medicare would have paid for an outpatient visit if Medicare were paying the care for Medicaid consumers.

A. Outpatient upper payment limit gap calculation for Ohio hospitals

1. Divide the total Medicare outpatient hospital payment by the hospital's Medicare outpatient hospital charges to calculate the hospital specific Medicare payment to charge ratio.

2. Multiply the hospital specific Medicare payment to charge ratio by Medicaid charges to calculate the estimated Medicare payment for Medicaid consumers.

3. For each hospital, calculate the available payment gap by taking total estimated Medicare payment for Medicaid outpatient visits as calculated in paragraph (A)(2) and subtracting actual Medicaid payments.

4. For all hospitals in each hospital class, sum the amounts calculated in paragraph (A)(3) of this rule. This is the aggregate outpatient upper limit for all hospitals in each hospital class.

B. The resulting amount calculated in paragraph (A) on page 2 of Attachment 4.19-B will be in effect on are after November 30, 2009 through December 31 of that year, and from January 1 through December 31 of each year after.

C. The source data for calculations described in this amendment will be based on cost reporting data described in rule 5101:3-2-23 of the Ohio Administrative Code which reflects the most recent completed interim settled Medicaid cost report (JFS 02930) for all hospitals, and the Medicare cost report (CMS 2552-96) for the corresponding cost reporting period.

D. The department would make supplemental payments to Ohio hospitals, paid under the prospective payment system for outpatient services, up to the amount described by paragraphs (A) on page 2 of Attachment 4.19-B through (C) on page 2 of Attachment 4.19-B as follows: In July of each year, payments will be made to Ohio hospitals on an annual basis, based upon the ratio of each hospital's total medicaid fee-for-service outpatient visits to the total number of outpatient visits for all hospitals in that class derived from actual outpatient visits paid for through the department's medicaid management information system (MMIS) in the state fiscal year prior to the month of payment, subject to the provisions in paragraph (B) on page 2 of Attachment 4.19-B. If the total of the funds that will be paid to all hospitals in a class exceeds the aggregate upper payment limit for the class calculated each supplemental outpatient upper limit payment program year as described in paragraph (C) of this rule, then the amount paid to each hospital in the class will be limited to each hospital's proportion of the aggregate upper payment limit for that class.

E. Hospital payments made under this section, when combined with other payments made under the State plan shall not exceed the limit specified in 42 CFR 447.325.

F. The total funds that will be paid to each private hospital will be included in the calculation of disproportionate share limits as described in rule 5101:3-2-07.5 of the Ohio Administrative Code.