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**State/Territory Name: OH**

**State Plan Amendment (SPA) #: 15-010**

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form (with 179-like data)
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
7500 Security Boulevard, Mail Stop S2-26-12  
Baltimore, Maryland 21244-1850



**SEP 24 2015**

John McCarthy, Medicaid Director  
Office of Ohio Health Plans  
Ohio Department of Medicaid  
P.O. Box 182709  
50 West Town Street, Suite 400  
Columbus, Ohio 43218

RE: Transmittal Number (TN) 15-0010

Dear Mr. McCarthy:

The Centers for Medicare and Medicaid Services (CMS) has reviewed the proposed amendment to Attachment 4.19-A of your Medicaid state plan submitted under transmittal number (TN) 15-0010. Effective June 22, 2015, this SPA updates Ohio's Disproportionate Share Hospital Program (DSH) Payment Methodology for the Hospital Care Assurance Program (HCAP) for Acute Care General Hospitals. Specifically, the revisions attempt to prospectively accommodate the impact of Medicaid expansion in Ohio on hospitals, and will be the basis for effecting payments under the FFY 2015 DSH allotment.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30), 1903(a) and 1923 of the Social Security Act (the Act) and the regulations at 42 CFR 447 Subpart C. We hereby inform you that Medicaid State plan amendment 15-0010 is approved effective June 22, 2015. We are enclosing the CMS-179 and the amended plan pages.

If you have any questions, please contact Fredrick Sebree at (217) 492-4122 or via email at [Fredrick.Sebree@cms.hhs.gov](mailto:Fredrick.Sebree@cms.hhs.gov).



Sincerely,

A large black rectangular redaction box covering the signature area.

Timothy Hill  
Director

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Enclosure

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b>		1. TRANSMITTAL NUMBER: <b>15-010</b>	2. STATE <b>OHIO</b>
FOR: CENTERS FOR MEDICARE AND MEDICAID SERVICES		3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR CENTERS FOR MEDICARE & MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES		4. PROPOSED EFFECTIVE DATE June 22, 2015	
5. TYPE OF PLAN MATERIAL (Check One):			
<input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" type="checkbox"/> <b>AMENDMENT</b>			
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)			
6. FEDERAL STATUTE/REGULATION CITATION: Section 1923 of the Social Security Act		7. FEDERAL BUDGET IMPACT: a. FFY 2015    \$ 5,987 thousands b. FFY 2016    \$ 5,864 thousands	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:  Attachment 4.19-A, Page 14		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable):  Attachment 4.19-A, page 14 (TN 14-020)	
10. SUBJECT OF AMENDMENT: Ohio Disproportionate Share Program			
11. GOVERNOR'S REVIEW (Check One):			
<input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL		<input checked="" type="checkbox"/> OTHER, AS SPECIFIED: The State Medicaid Director is the Governor's designee	
12. SIGNATURE OF STATE AGENCY OFFICIAL: 		16. RETURN TO:  Carolyn Brewer Ohio Department of Medicaid P.O. BOX 182709 Columbus, Ohio 43218	
13. TYPED NAME: John B. McCarthy			
14. TITLE: STATE MEDICAID DIRECTOR			
15. DATE SUBMITTED: 6/29/2015			
<b>FOR REGIONAL OFFICE USE ONLY</b>			
17. DATE RECEIVED:		18. DATE APPROVED: <b>SEP 24 2015</b>	
<b>PLAN APPROVED - ONE COPY ATTACHED</b>			
19. EFFECTIVE DATE OF APPROVED MATERIAL: <b>JUN 22 2015</b>		20. SIGNATURE OF REGIONAL OFFICIAL: 	
21. TYPED NAME: <b>KRISTIN FAN</b>		22. TITLE: <b>Depum Director, FMG</b>	
23. REMARKS:			

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**(D) DISTRIBUTION OF DISPROPORTIONATE SHARE FUNDS**

In accordance with the requirements in Section 1923 of the Social Security Act, the State will distribute to hospitals 100 percent of the State's Federal Disproportionate Share Allotment for each year. Hospitals will be considered disproportionate share if their Medicaid Inpatient Utilization Rate (MIUR) is greater than or equal to 1.00 percent. The State will distribute the total Disproportionate Share Allotment from seven payment pools:

- 1) The first pool is the High Federal Disproportionate Share and Indigent Care Payment Pool, which is distributed to those hospitals meeting the high federal disproportionate share hospital definition. A hospital is considered to be a high federal disproportionate share hospital if their MIUR is greater than the statewide mean MIUR plus one standard deviation. Distribution is based on the ratio derived by dividing each hospital's Medicaid costs by the sum of Medicaid costs for all hospitals meeting the high federal disproportionate share definition. The percentage allocated to this payment pool is 12 percent of the total allowable amount.
- 2) The second pool, the Medicaid shortfall and Uncompensated Care Payment Pool, is distributed to all acute care hospitals based upon the ratio derived by dividing each hospital's remaining portion of their hospital-specific disproportionate share limit (hospital-specific DSH limit less amount from Pool 1) to the total remaining disproportionate share limit for all hospitals in the pool. The percentage allocated to this payment pool is 66.71 percent of the total allowable amount.
- 3) The third pool, the Disability Assistance (DA) and Uncompensated Care Indigent Care Payment Pool, is distributed to acute care hospitals based on the ratio derived by dividing each hospital's uncompensated care costs for services provided to persons who are at or below the Federal Poverty Level (FPL) by the total uncompensated care costs for services provided to persons who are at or below the FPL for all hospitals. The percentage allocated to this payment pool is 10.55 percent of the total allowable amount.
  - a) The uncompensated care cost for services provided to persons at or below the FPL are calculated by using hospital reported cost center charges multiplied by the cost center-specific cost-to-charge ratio and summing the resulting costs for all cost centers and subtract any reported payments received during the cost report period.
  - b) For each hospital, calculate the ratio of the uncompensated care costs to the sum of all the hospitals' uncompensated care costs and multiply that ratio by an amount allocated for the uncompensated care pool below 100% of the FPL.
- 4) The fourth pool, the Rural and Critical Access Payment Pool, distributes a total allocation of 8.76 percent of the total allowable amount. Critical Access Hospitals (CAH) receive 38.81 percent of this pool, based on the ratio of each hospital's remaining disproportionate share limit (hospital-specific DSH limit less amount from Pools 1 – 3) to the total remaining disproportionate share limit for all CAHs. The balance of the pool 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 in the pool.
- 5) 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 derived by dividing a hospital's cost of care to the uninsured to the countywide (or bordering counties) total cost of care to the uninsured.
- 6) The sixth pool, the Children's Hospital Pool, provides funds to children's hospitals with room in their OBRA cap based on the ratio derived by dividing each Children's Hospital's remaining OBRA cap by the sum of the remaining OBRA cap for all Children's Hospitals. The percentage allocated to this payment pool is 1.98 percent of the total allowable amount.
- 7) 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. Funds are distributed based on the ratio derived by dividing the remaining OBRA cap for each hospital by the remaining OBRA cap for all hospitals.

The sum of all payment pools will be paid to hospitals on an annual basis. The methodology in this section applies to the disproportionate share allotment awarded for Federal Fiscal Years 2015 and thereafter.