

Table of Contents

State/Territory Name: OH

State Plan Amendment (SPA) #: 16-034

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

APR 25 2017

Barbara Sears, Director
Ohio Department of Medicaid
P.O. Box 182709
50 West Town Street, Suite 400
Columbus, Ohio 43218

RE: Ohio State Plan Amendment (SPA) 16-034

Dear Ms. Sears:

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) 16-034. Effective 1/1/2017 this SPA covers the implementation of the Potentially Preventable Readmissions (PPR) program to reduce preventable readmissions, encourage hospitals to improve the level of care provided during a patient's inpatient admission, and improve the discharge planning process in hospitals participating in the Medicaid program.

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 16-034 is approved effective January 1st, 2017. We are enclosing the CMS-179 and the amended plan pages.

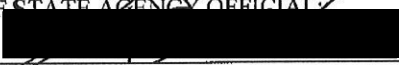

If you have any questions, please contact Fredrick Sebree at (217) 492-4122 or via email at Fredrick.Sebree@cms.hhs.gov.

Sincerely,



Kristin Fan
Director

Enclosure

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL		1. TRANSMITTAL NUMBER: 16 - 034	2. STATE OHIO
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 January 1, 2017	
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"/> AMENDMENT			
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)			
6. FEDERAL STATUTE/REGULATION CITATION: 42 CFR 447		7. FEDERAL BUDGET IMPACT:	
		a. FFY 2017 \$ (4,066) thousands	
		b. FFY 2018 \$ (5,461) thousands	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-A, Page 12 - 1 Attachment 4.19-A, Page 12 - 2		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Attachment 4.19-A, Page 12 (TN 11-014) New	
10. SUBJECT OF AMENDMENT: Payment for Services: Potentially Preventable Readmissions Program			
11. GOVERNOR'S REVIEW (Check One):			
<input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT		<input checked="" type="checkbox"/> OTHER, AS SPECIFIED:	
<input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED		The State Medicaid Director is the Governor's designee	
<input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL			
12. SIGNATURE OF STATE AGENCY OFFICIAL: 		16. RETURN TO:	
13. TYPED NAME: JOHN B. McCARTHY		Carolyn Humphrey Ohio Department of Medicaid P.O. BOX 182709 Columbus, Ohio 43218	
14. TITLE: STATE MEDICAID DIRECTOR			
15. DATE SUBMITTED: December 22, 2016			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED:		18. DATE APPROVED: APR 25 2017	
PLAN APPROVED - ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: JAN 01 2017		20. SIGNATURE OF REGIONAL OFFICIAL: 	
21. TYPED NAME: Kristin FAN		22. TITLE: Director, FMC	
23. REMARKS:			

Instructions on Back

In general Appendix A details the provisions summarized in Section (1) of this Attachment and provides additional detail on related policies which can affect reimbursement.

Provider Preventable Conditions (PPCs)

The Medicaid agency meets the requirements of 42 CFR Part 447, Subpart A, and sections 1902(a)(4), 1902(a)(6), and 1903 with respect to non-payment for provider-preventable conditions (PPCs).

The State identifies the following Health Care-Acquired Conditions (HCACs) for non-payment: Hospital-Acquired Conditions as identified by Medicare other than Deep Vein Thrombosis (DVT)/Pulmonary Embolism (PE) following total knee replacement or hip replacement surgery in pediatric and obstetric patients. Non-payment of HCACs applies to all inpatient hospitals.

The State identifies the following OPPCs for non-payment in any health care setting where they may occur: Wrong surgical or other invasive procedure performed on a patient; surgical or other invasive procedure performed on the wrong body part; surgical or other invasive procedure performed on the wrong patient.

Potentially Preventable Readmissions (PPRs)

All hospitals that are subject to the all patient refined diagnosis related groups (APR-DRG) prospective payment methodology are subject to the Potentially Preventable Readmissions Program. Hospitals that have 20 or more Medicaid discharges in the reporting year are subject to a PPR rate adjustment.

Hospitals with excess clinically-related and clinically-preventable readmissions in the reporting year as determined by the 3M Health Information Systems PPR software will be subject to a one percent reduction of their inpatient hospital-specific base rate. The excess readmission penalty will be applied on January 1 of each calendar year and will remain in effect for that calendar year.

Definitions.

- 1) "Potentially preventable readmission (PPR)" is a readmission that follows a prior discharge from any hospital within 30 days and that is deemed clinically-related and clinically-preventable by the PPR software.
- 2) "Clinically-related readmission chain" is a series of admissions for the same patient where the underlying reason for admission is related, as determined by the PPR software, to the care rendered during or within 30 days following a prior hospital admission. The hospital in which the initial admission occurred is the hospital that is responsible for the clinically-related readmission chain.
- 3) "Actual PPR rate" is the PPR rate computed as total clinically-related readmission chains divided by the sum of initial admissions and only admissions.
- 4) "Expected PPR rate" is the PPR rate computed as total clinically-related readmission chains divided by the sum of initial admissions and only admissions. The expected PPR rate is adjusted, by the PPR software, for severity of illness and risk of mortality.

- 5) "Actual-to-expected ratio" is the actual PPR rate divided by the expected PPR rate.

Readmission Criteria.

- 1) A readmission is a return hospitalization within 30 days of a prior discharge that meets all of the following criteria:
 - a. The readmission is potentially preventable by the provision of appropriate care consistent with accepted care standards, based on the PPR software, in the prior discharge or during the post-discharge follow-up period.
 - b. The readmission is for a condition or procedure that is clinically-related to the care provided during the prior discharge or resulting from inadequate discharge planning during the prior discharge.
 - c. The PPR chain may contain one or more readmissions that are clinically-related to the initial admission. If the first readmission is within thirty days after the initial admission, the thirty day timeframe may begin again at the discharge of either the initial admission or the most recent readmission clinically-related to the initial admission.
 - d. The readmission is to the same or any other hospital.
- 2) Readmissions, for the purposes of determining PPRs, exclude the following circumstances:
 - a. The original discharge was a patient initiated discharge, was against medical advice (AMA), and the circumstances of such discharge and readmission are documented in the patient's medical record.
 - b. The original discharge was for the purpose of securing treatment of a major or metastatic malignancy, major trauma, neonatal and obstetrical admission, transplant, HIV, and non-events as defined by the PPR software.
 - c. Only admissions and planned admissions as defined by the PPR software.

Methodology.

- 1) Rate adjustments for calendar year 2017 for each hospital shall be based on each hospital's paid fee-for-service and managed care claims data for discharges that occurred on July 1, 2014 through June 30, 2015. For each calendar year thereafter, rate adjustments shall be based on each hospital's paid claims data from the state fiscal year ending in the calendar year preceding the calendar year immediately preceding the effective date of the PPR rate adjustment.
- 2) Excess readmission rates are determined by examining hospital-specific actual-to-expected ratios.
 - a. An actual-to-expected ratio of one indicates that the hospital had readmissions within 30 days at a rate that is expected given their patient mix.
 - b. An actual-to-expected ratio of less than one indicates that the hospital had less readmissions within 30 days than is expected given their patient mix.
 - c. An actual-to-expected ratio of greater than one indicates that the hospital had more readmissions within 30 days than is expected given their patient mix.