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State/Territory Name: OH

State Plan Amendment (SPA) #: 17-011

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

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

APR 25 2017

RE: Ohio State Plan Amendment (SPA) 17-011

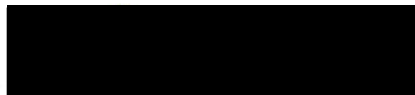
Dear Ms. Sears:

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) 17-011. Effective 1/1/2017, this SPA continues a stop loss/stop gain provision that was enacted on July 1, 2013 to prevent large swings (either up or down) in hospital reimbursements. The provision was to end December 31, 2016. The department is proposing to postpone the end date of the stop loss/stop gain provision from December 31, 2016 to June 30, 2017 since the department is planning implementation of new inpatient hospital base rates effective July 1, 2017 (rebasings). If the department does not extend the end date of the stop loss/stop gain provision, those hospitals in a stop loss status will experience further loss of inpatient hospital base rates and those hospitals in a stop gain status will experience further gain of inpatient hospital base rates between December 31, 2016 and when the rebasing occurs.

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 17-011 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: 17-011	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 Subpart C		7. FEDERAL BUDGET IMPACT: a. FFY 2017 \$ 0 b. FFY 2018 \$ 0	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-A, Appendix A, Page 3 of 7 (Section 5160-2-65)		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Attachment 4.19-A, Appendix A, Page 3 of 7 (Section 5160-2-65) (TN 16-023)	
10. SUBJECT OF AMENDMENT: Payment for Services: Inpatient Hospital Reimbursement			
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 Humphrey Ohio Department of Medicaid P.O. BOX 182709 Columbus, Ohio 43218	
13. TYPED NAME: BARBARA R. SEARS			
14. TITLE: STATE MEDICAID DIRECTOR			
15. DATE SUBMITTED: March 13, 2017			
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

30, 2010;

- (b) Cost reports submitted by hospitals to the department on its Medicaid cost report for the hospital years that end in state fiscal years 2009, 2010 and 2011; and
 - (c) Inflation factors computed for Ohio by a nationally-recognized research firm that computes similar factors for the Medicare program.
- (2) The inflation factors were used to apply an inflationary value to the total cost computed for each case inflating it to September 30, 2013.
- (H) Computation of hospital base rate.
- (1) Except as described in paragraph (H)(4) of this section, the base rate for each Ohio children's hospital is equal to:
 - (a) Ninety-nine and five hundredths percent of the total inflated costs for the cases assigned to a children's hospital divided by the number of cases assigned to the children's hospital; divided by
 - (b) The peer group case mix score as calculated in paragraph (H)(3) of this section.
 - (2) Except as described in paragraph (H)(4) of this section, the base rate for hospitals in Ohio peer groups other than Ohio children's hospitals is equal to:
 - (a) Sixty-four and five hundredths percent of the total inflated costs for the cases assigned to a peer group; divided by the number of cases in the peer group; divided by
 - (b) The peer group case mix score as calculated in paragraph (H)(3) of this section.
 - (c) For dates of service on or after January 1, 2014, the amount will be equal to ninety-five percent of the amount calculated in paragraph (H)(2)(a) and (H)(2)(b) of this rule.
 - (3) The peer group case mix score is equal to:
 - (a) The sum of the relative weight values across all cases assigned to a peer group; divided by
 - (b) The number of cases in the peer group.
 - (4) For non-Ohio hospital peer groups, the peer group base rate is equal to the value assigned to the peer group effective January 1, 2013. For dates of service on or after January 1, 2014, the amount will be equal to ninety-five percent of the base rate in effect on January 1, 2013.
 - (5) Peer group risk corridors.

Effective for discharges on or after July 1, 2013 and on or before June 30, 2017, the department will apply the following:

- (a) If a hospital is in a non-MSA peer group, in the rural referral center peer group, or is in a MSA peer group but has a Medicare designation as a critical access hospital, then the hospital's base rate is equal to the greater of:
 - (i) The peer group base rate; or
 - (ii) Seventy percent of the computed costs of the hospital's cases.

TN: 17-011

Supersedes:

TN: 16-023

Approval Date: APR 25 2017

Effective Date: 01/01/2017