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State/Territory Name: Ohio

State Plan Amendment (SPA) #: 19-0029

This file contains the following documents in the order listed:

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
601 East 12th Street, Suite 300
Kansas City, Missouri 64106-2898

CENTERS FOR MEDICARE & MEDICAID SERVICES
CENTER FOR MEDICAID & CHIP SERVICES

Medicaid and CHIP Operations Group

February 6, 2020

Maureen M. Corcoran, Director
Ohio Department of Medicaid
P.O. Box 182709
50 West Town Street, Suite 400
Columbus, Ohio 43218

RE: State Plan Amendment Transmittal Number 19-0029

Dear Ms. Corcoran:

Enclosed for your records is an approved copy of the following State Plan Amendment:

Transmittal #19-0029
- Payment for Services: Outpatient Hospital Cost Coverage Add-On
- Effective Date: January 2, 2020
- Approval Date: January 27, 2020

If you have any questions regarding this State Plan Amendment, please have a member of your staff contact Christine Davidson at (312) 886-3642 or by email at christine.davidson@cms.hhs.gov.

Sincerely,

[redacted]

James G. Scott, Director
Division of Program Operations

Enclosures

cc: Carolyn Humphrey, ODM
Becky Jackson, ODM
Greg Niehoff, ODM

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE AND MEDICAID SERVICES	1. TRANSMITTAL NUMBER: **19-029**	2. STATE **OHIO**
	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 2, 2020**	

5. TYPE OF PLAN MATERIAL *(Check One)*:

☐ NEW STATE PLAN ☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN ☒ **AMENDMENT**

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT *(Separate Transmittal for each amendment)*

6. FEDERAL STATUTE/REGULATION CITATION: 42 CRF Part 447, Subpart F	7. FEDERAL BUDGET IMPACT: a. FFY 2020 $203,428 thousands b. FFY 2021 $332,773 thousands
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-B, Item 2-a: Page 1-8 (New) Page 1-9 (New) Page 1-10 (New) Page 1-11 (New) Page 1-12 (New)	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT *(If Applicable)*: Not Applicable

10. SUBJECT OF AMENDMENT: Payment for Services: Outpatient Hospital Services Cost Coverage Add-On

11. GOVERNOR'S REVIEW *(Check One)*:

☐ GOVERNOR'S OFFICE REPORTED NO COMMENT
☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL
☒ OTHER, AS SPECIFIED:
The State Medicaid Director is the Governor's designee

12. SIGNATURE OF STATE AGENCY OFFICIAL: [redacted]	16. RETURN TO: **Carolyn Humphrey** **Ohio Department of Medicaid** **P.O. BOX 182709** **Columbus, Ohio 43218**
13. TYPED NAME: **MAUREEN M. CORCORAN**	
14. TITLE: **STATE MEDICAID DIRECTOR**	
15. DATE SUBMITTED: Nov. 25, 2019	

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED: November 25, 2019	18. DATE APPROVED: January 27, 2020
PLAN APPROVED – ONE COPY ATTACHED	
19. EFFECTIVE DATE OF APPROVED MATERIAL: January 2, 2020	20. SIGNATURE OF REGIONAL OFFICIAL: [redacted]
21. TYPED NAME: James G. Scott	22. TITLE: Director, Division of Program Operations

23. REMARKS:

Instructions on Back

FORM CMS-179 (07-92)

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III. Outpatient Hospital Cost Coverage Add-On

This section applies to all Ohio hospitals reimbursed under the outpatient prospective payment system as described in Attachment 4.19-B, Section I, subsection (D) or reimbursed under non-DRG prospective payment as described in Attachment 4.19-B, Section I, subsection (C). This section does not apply to the coordination of benefits calculation pertaining to beneficiaries eligible for both Medicare and Medicaid.

(A) Source Data for Calculations

The calculations used in determining the cost coverage add-on will be based on data provided by annual cost reports submitted to the department. The cost reports used will be the hospital's cost reporting year ending in the state fiscal year prior to the state fiscal year that ends immediately preceding the state fiscal year to which the cost coverage add-on applies.

(B) Outpatient Cost Coverage Add-on Policy Pools

Appropriations authorized by the Ohio General Assembly each state fiscal year will be divided into the following policy pools:

(1) The outpatient cost coverage standard pool, which is the lesser of $168,054,601.29 or 23.59 percent of the appropriated funds.

(2) The outpatient cost coverage sustainability pool which is ninety percent of the amount allocated under Attachment 4.19-B, Section VI, subsection (B)(2) less the amount allocated under Attachment 4.19-A, Section VI, subsection (B)(3).

(3) Hospitals that have a dedicated Psychiatric Emergency Department (PED) established prior to October 1, 2019 and do not receive payments as described in Attachment 4.19-B, Item 5-a will receive $4,750,000.00.

(C) Outpatient Cost Coverage

(1) Cost Coverage Standard Pool

(a) Each hospital will be allocated from subsection (B)(1) of this section an amount equal to the outpatient non-claims specific lump sum payments not resulting from payments described in Supplement 2 to Attachment 4.19-B and Attachment 4.19-A, subsection (D).

(b) Any amounts in subsection (C)(1)(a) of this section allocated to a closed hospital are reallocated to the remaining hospitals based on the ratio of each hospital's allocation in subsection (C)(1)(a) of this section to the sum of the allocation for all remaining hospitals.

(c) For each hospital, sum the amount allocated in subsection (C)(1)(a) of this section and the amount calculated in subsection (C)(1)(b) of this section.

(2) Divide the amount in subsection (B)(2) of this section by the total Medicaid visits for all hospitals, then multiply the results by the number of total Medicaid visits for each hospital.

(3) For all hospitals with a PED, divide the amount in subsection (B)(3) of this section by the total Medicaid visits for all hospitals with a PED, then multiply the results by the number of Medicaid visits for each hospital with a PED.

(D) Outpatient Cost Coverage Add-On Amount Per Detail for Hospitals Subject to the Payment Methodology Under Attachment 4.19-B, Item 2-a, section I, subsection (D)

(1) For each hospital, divide the sum of subsections (C)(1) to (C)(3) of this section by the total Enhanced Ambulatory Patient Groups (EAPG) detail lines used in the outpatient case-mix calculation.

(2) For each hospital, divide the results in subsection (D)(1) of this section by the outpatient case-mix.

(3) For visits on or after the January 2, 2019 through June 30, 2020, the cost coverage add-on per detail amount is two times the amount calculated in subsection (D)(2) of this section, rounded to two decimal places.

(4) For visits on or after July 1, 2020, the cost coverage add-on per detail amount is equal to the amount calculated in subsection (D)(2) of this section, rounded to two decimal places.

(5) The amount calculated in subsections (D)(3) or (D)(4) of this section will be added to the hospital's outpatient base rate for the respective dates of service.

(E) Outpatient Cost Coverage Add-On for Hospitals Subject to the Payment Methodology Under Attachment 4.19-B, Item 2-a, section I, subsection (C)

(1) For each hospital, sum the total outpatient program payments reimbursed by the State and the outpatient payments as described in subsection (C)(1)(a) of this section.

(2) For each hospital, divide the amount in subsections (E)(1) of this section by the total Medicaid outpatient costs.

(3) For each hospital, sum the total outpatient program payments reimbursed by the State and the distribution pools in subsection (C)(1) to (C)(3) of this section.

(4) For each hospital, divide the results in subsection (E)(3) of this section by the total Medicaid outpatient cost

(5) For each hospital, calculate the outpatient cost coverage increase by subtracting the result in subsection (E)(2) of this section from the result in subsection (E)(4) of this section and dividing the result by subsection (E)(2) of this section, round to four decimal places.

(6) For visits on or after January 2, 2020 and through June 30, 2020, the cost coverage percentage increase is equal to two times the amount calculated in subsection (E)(5) of this section.

(7) For visits on or after July 1, 2020, the cost coverage increase is the amount calculated in subsection (E)(5) of this section.

(8) Apply the amounts calculated in subsections (I)(6) or (I)(7) of this section as a percentage increase to the hospital's outpatient cost-to-charge ratio as described in Attachment 4.19-B, Item 2-a, section I, subsection (C) for the respective dates of service.