

## **Table of Contents**

**State/Territory Name: RI**

**State Plan Amendment (SPA) #: 15-0007**

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 AND HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
7500 Security Boulevard, Mail Stop S2-26-12  
Baltimore, MD 21244-1850



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**Financial Management Group**

DEC 09 2015

Deidre S. Gifford MD, MPH, Medicaid Director  
Executive Office of Human Services  
State of Rhode Island  
Hazard Building  
74 West Road  
Cranston, RI 02920

RE: Rhode Island 15-0007

Dear Ms. Gifford:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 15-0007. This amendment revises reimbursement for inpatient hospital services. Specifically it, provides for supplemental payments to inpatient acute care hospitals.

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 and the implementing Federal regulations at 42 CFR 447 Subpart C. We are pleased to inform you that Medicaid State plan amendment 15-0007 is approved effective May 5, 2015. We are enclosing the CMS-179 and the amended plan pages.

If you have any questions, please call Novena James-Hailey at (617) 565-1291.

Sincerely,



Kristin Fan  
Director

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b>	1. TRANSMITTAL NUMBER: 15-007	2. STATE RI
	3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
FOR: CENTERS FOR MEDICARE AND MEDICAID SERVICES	4. PROPOSED EFFECTIVE DATE May 5, 2015	
TO: REGIONAL ADMINISTRATOR CENTERS FOR MEDICARE AND MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES		

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 CFR 447.272	7. FEDERAL BUDGET IMPACT: a. FFY 2015      \$5,414,856 b. FFY 2016      \$5,414,856
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:  Supplement 3 to Attachment 4.19-A page 1	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable):  N/A


10. SUBJECT OF AMENDMENT:  
In-Patient Hospital Adjustment Payment

11. GOVERNOR'S REVIEW (Check One):

GOVERNOR'S OFFICE REPORTED NO COMMENT       OTHER, AS SPECIFIED:  
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED      See Attached Letter  
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL: 	16. RETURN TO:  EOHHS Policy Office 600 New London Avenue, Bldg. 57 Cranston, RI 02920
13. TYPED NAME: Elizabeth Roberts	
14. TITLE: Secretary	
15. DATE SUBMITTED: November 19, 2015	

FOR REGIONAL OFFICE USE ONLY	
17. DATE RECEIVED:	18. DATE APPROVED: DEC 09 2015

PLAN APPROVED - ONE COPY ATTACHED	
19. EFFECTIVE DATE OF APPROVED MATERIAL: MAY 05 2015	20. SIGNATURE OF REGIONAL OFFICIAL: 
21. TYPED NAME: Kristin FAN	22. TITLE: Deputy Director, FMC

23. REMARKS:

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: Rhode Island

**INPATIENT HOSPITAL SUPPLEMENTAL PAYMENT**

For inpatient services provided on and after May 5, 2015, each acute care hospital is paid an amount determined as follows:

1. Determine the sum of gross Medicaid payments (including TPL) from Rhode Island MMIS and all other Medicaid FFS inpatient payments to hospitals made for inpatient services provided during each hospital's preceding fiscal year, including settlements, and
2. The Inpatient UPL calculation is an estimate of Medicare inpatient cost for private hospitals. Specifically, a ratio of Medicare inpatient costs to Medicare inpatient charges is applied to Medicaid inpatient charges to determine total Medicaid cost (the limit). Total Medicaid inpatient payments are then subtracted to determine the UPL gap, which is the basis for the size of the inpatient supplemental payment. The UPL gap is calculated using an aggregate of the individual hospital gaps for private hospitals. The inpatient UPL calculation is a reasonable estimate of the amount Medicare would pay for equivalent Medicaid services.

Medicare routine and ancillary cost information is from each provider's as-filed Medicare cost report (CMS 2552), Worksheet D-1, Part 2, Line 49 (PPS services and sub-providers), ending one year prior to the UPL period.

Medicare routine and ancillary charge information is from each provider's as-filed Medicare cost report (CMS 2552), Worksheet D-3, Column 2, Lines 30-40 and 202 (PPS services and sub-providers), ending one year prior to the UPL period.

The UPL is trended for inflation and utilization using Medicare Inpatient PPS market basket.

3. The aggregate UPL gap is distributed among all the hospitals based on the percentage relationship of each hospital's Medicaid payments to total Medicaid payments for all the private hospitals. Butler and Bradley hospitals will not receive this supplemental payment.