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State/Territory Name: Ohio

State Plan Amendment (SPA) #: 21-0017

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



Financial Management Group

August 9, 2021

Maureen Corcoran, Director
Ohio Department of Medicaid
50 West Town Street, Suite 400
Columbus, Ohio 43215

RE: Ohio State Plan Amendment (SPA) 21-0017


Dear Ms. Corcoran:

We have reviewed the proposed amendment to Attachments 4.19-A of your Medicaid State plan submitted under transmittal number 21-0017 titled “Payment for Services: Institutes for Mental Disease – Disproportionate Share Hospital (IMD-DSH).”.

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 have found that the proposed reimbursement methodology complies with applicable requirements and therefore have approved them with an effective date of April 1, 2021. We are enclosing the CMS-179 and the amended approved plan pages.

If you have any questions, please contact Fredrick Sebree at Fredrick.sebree@cms.hhs.gov.

Sincerely,


For
Rory Howe
Acting Director

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL	1. TRANSMITTAL NUMBER: 21-017	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 April 1, 2021	
5. TYPE OF PLAN MATERIAL (<i>Check One</i>):		
<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 (<i>Separate Transmittal for each amendment</i>)		
6. FEDERAL STATUTE/REGULATION CITATION: Section 1923 of the Social Security Act	7. FEDERAL BUDGET IMPACT:	
	a. FFY 2021 \$0	
	b. FFY 2022 \$0	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (<i>If Applicable</i>):	
<u>Attachment 4.19-A:</u> Page 22 Page 23	<u>Attachment 4.19-A:</u> Page 22 (TN 06-007) Page 23 (TN 06-007)	
10. SUBJECT OF AMENDMENT: Payment for Services: Institutes for Mental Disease – Disproportionate Share Hospital (IMD-DSH)		
11. GOVERNOR'S REVIEW (<i>Check One</i>):		
<input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT		<input checked="" type="checkbox"/> OTHER, AS SPECIFIED: The State Medicaid Director is the Governor's designee
<input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED		
<input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL		
12. SIGNATURE OF STATE AGENCY OFFICER:	16. RETURN TO:	
13. TYPED NAME: MAUREEN M. CORCORAN	Carolyn Humphrey Ohio Department of Medicaid P.O. BOX 182709 Columbus, Ohio 43218	
14. TITLE: STATE MEDICAID DIRECTOR		
15. DATE SUBMITTED: May 25, 2021		
FOR REGIONAL OFFICE USE ONLY		
17. DATE RECEIVED: 5/25/2021	18. DATE APPROVED: 8/9/21	
PLAN APPROVED – ONE COPY ATTACHED		
19. EFFECTIVE DATE OF APPROVED MATERIAL: 4/1/2021	20. SIGNATURE OF REGIONAL OFFICIAL: For	
21. TYPED NAME: Rory Howe	22. TITLE: Acting Director	
23. REMARKS:		

Instructions on Back

Disproportionate share and indigent care payment policies for psychiatric hospitals

This section applies to psychiatric hospitals eligible to participate in Medicaid in accordance with Attachment 4.19-A, Section I, Subsection (A), that are certified by Medicare for reimbursement of services, and are licensed by the Ohio Department of Mental Health and Addiction Services or operated under the state mental health authority.

A. Source data for calculations

The calculations described in determining disproportionate share psychiatric hospitals and in making disproportionate share and indigent care payments will be based on financial data and patient care data for psychiatric inpatient services provided for the hospital fiscal year ending in the state fiscal year that ends in the federal fiscal year preceding each program year.

B. Determination of disproportionate share hospitals

The department makes additional payments to hospitals that qualify for a disproportionate share adjustment. Hospitals that qualify are those that meet the requirements in Attachment 4.19-A, page 13, subsection (B)(3), and meet both of the criteria described in subsection (B)(1) and (B)(2) of this section.

- (1) The hospital's Medicaid inpatient utilization rate is greater than or equal to 1%.

The Medicaid inpatient utilization rate is the ratio of the hospital's number of inpatient days attributable to patients who were eligible for medical assistance in accordance with Attachment 4.19-A, Section I, subsections (A)(2) to (A)(4), divided by the hospital's total inpatient days.

- (2) The hospital's uncompensated care costs is at least 75% of the hospital's total allowable inpatient costs.

Uncompensated care costs are defined as total inpatient allowable costs less insurance revenues, self-pay revenues, total Medicaid revenues and uncompensated care costs rendered to patients with insurance for the service provided.

C. Distribution of funds

The funds available are distributed among hospitals according to the payment formula described below. Hospitals will be distributed a payment amount based on the lesser of their uncompensated care costs or their disproportionate share payment. Each hospital's disproportionate share payment is calculated as follows:

$$\frac{\text{Hospital specific uncompensated care costs}}{\text{Sum of uncompensated care costs for all hospitals}} \times \text{Disproportionate share funds available for distribution}$$

- (1) Funds available for distribution by tier.

Each hospital will be distributed a payment amount based on the lesser of their:

- (a) Uncompensated care costs; or
- (b) Disproportionate share payment amount

D. Disproportionate share funds

The maximum amount of disproportionate share funds available for distribution to psychiatric hospitals will be determined by subtracting the funds distributed in accordance with Attachment 4.19-A, pages 13 to 14 from the state's disproportionate share limit as described in subparagraph (f) of section 1923 of the Social Security Act, 49 Stat. 620 (1935), 42 USC 1396-r-4 (f), as amended.

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