

UNCOMPENSATED CARE UNDER ONE HUNDRED PER CENT INDIGENT CARE PAYMENT POOL. THIS POOL IS EQUAL TO THE AMOUNT DESCRIBED IN PARAGRAPH (D)(1) MULTIPLIED BY A FACTOR OF 0.245990.

- (d) HOSPITALS IN HOSPITAL CARE ASSURANCE GROUP ONE SHALL RECEIVE FUNDS FROM THE CHILDREN'S HOSPITAL INDIGENT CARE PAYMENT POOL. THIS POOL IS EQUAL TO THE AMOUNT DESCRIBED IN PARAGRAPH (D)(1) MULTIPLIED BY A FACTOR OF 0.241108.
- (2) Funds are distributed to the hospitals in hospital care assurance group two according to the following.
- (a) HOSPITALS MEETING THE HIGH FEDERAL DISPROPORTIONATE SHARE HOSPITAL DEFINITION DESCRIBED IN PARAGRAPH (E)(1) SHALL RECEIVE FUNDS FROM THE HIGH FEDERAL DISPROPORTIONATE SHARE INDIGENT CARE PAYMENT POOL. THIS POOL IS EQUAL TO THE HOSPITAL CARE ASSURANCE GROUP TWO AMOUNT DESCRIBED IN PARAGRAPH (D)(2) MULTIPLIED BY A FACTOR OF 0.027812.
  - (b) HOSPITALS IN HOSPITAL CARE ASSURANCE GROUP TWO SHALL RECEIVE FUNDS FROM THE MEDICAID INDIGENT CARE PAYMENT POOL. THIS POOL IS EQUAL TO THE AMOUNT DESCRIBED IN PARAGRAPH (D)(2) MULTIPLIED BY A FACTOR OF 0.283414.
  - (c) HOSPITALS IN HOSPITAL CARE ASSURANCE GROUP TWO SHALL RECEIVE FUNDS FROM THE DISABILITY ASSISTANCE MEDICAL AND UNCOMPENSATED CARE UNDER ONE HUNDRED PER CENT INDIGENT CARE PAYMENT POOL. THIS POOL IS EQUAL TO THE AMOUNT DESCRIBED IN PARAGRAPH (D)(2) MULTIPLIED BY A FACTOR OF 0.688774.
- (3) Funds are distributed to the hospitals in hospital care assurance group three according to the following.
- (a) HOSPITALS IN HOSPITAL CARE ASSURANCE GROUP THREE SHALL RECEIVE FUNDS FROM THE MEDICAID INDIGENT CARE PAYMENT POOL. THIS POOL IS EQUAL TO THE AMOUNT DESCRIBED IN PARAGRAPH (D)(3) MULTIPLIED BY A FACTOR OF 0.336431.
  - (b) HOSPITALS IN HOSPITAL CARE ASSURANCE GROUP THREE SHALL RECEIVE FUNDS FROM THE DISABILITY ASSISTANCE MEDICAL AND UNCOMPENSATED CARE UNDER ONE HUNDRED PER CENT INDIGENT CARE PAYMENT POOL. THIS POOL IS EQUAL TO THE AMOUNT

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DESCRIBED IN PARAGRAPH (D)(3) MULTIPLIED BY A FACTOR OF 0.663569.

- (4) Funds are distributed to the hospitals in hospital care assurance group four according to the following.
  - (a) HOSPITALS MEETING THE HIGH FEDERAL DISPROPORTIONATE SHARE HOSPITAL DEFINITION DESCRIBED IN PARAGRAPH (E)(1) SHALL RECEIVE FUNDS FROM THE HIGH FEDERAL DISPROPORTIONATE SHARE INDIGENT CARE PAYMENT POOL. THIS POOL IS EQUAL TO THE HOSPITAL CARE ASSURANCE GROUP FOUR AMOUNT DESCRIBED IN PARAGRAPH (D)(4) MULTIPLIED BY A FACTOR OF 0.014549.
  - (b) HOSPITALS IN HOSPITAL CARE ASSURANCE GROUP FOUR SHALL RECEIVE FUNDS FROM THE MEDICAID INDIGENT CARE PAYMENT POOL. THIS POOL IS EQUAL TO A FACTOR OF 0.332805 MULTIPLIED BY THE AMOUNT DESCRIBED IN PARAGRAPH (D)(4).
  - (c) HOSPITALS IN HOSPITAL CARE ASSURANCE GROUP FOUR SHALL RECEIVE FUNDS FROM THE DISABILITY ASSISTANCE MEDICAL AND UNCOMPENSATED CARE UNDER ONE HUNDRED PER CENT INDIGENT CARE PAYMENT POOL. THIS POOL IS EQUAL TO A FACTOR OF 0.652646 MULTIPLIED BY THE AMOUNT DESCRIBED IN PARAGRAPH (D)(4).
  
- (5) Funds are distributed to the hospitals in hospital care assurance group five according to the following.
  - (a) HOSPITALS MEETING THE HIGH FEDERAL DISPROPORTIONATE SHARE HOSPITAL DEFINITION DESCRIBED IN PARAGRAPH (E)(1) SHALL RECEIVE FUNDS FROM THE HIGH FEDERAL DISPROPORTIONATE SHARE INDIGENT CARE PAYMENT POOL. THIS POOL IS EQUAL TO THE HOSPITAL CARE ASSURANCE GROUP FIVE AMOUNT DESCRIBED IN PARAGRAPH (D)(5) MULTIPLIED BY A FACTOR OF 0.008591.
  - (b) HOSPITALS IN HOSPITAL CARE ASSURANCE GROUP FIVE SHALL RECEIVE FUNDS FROM THE MEDICAID INDIGENT CARE PAYMENT POOL. THIS POOL IS EQUAL TO THE AMOUNT DESCRIBED IN PARAGRAPH (D)(5) MULTIPLIED BY A FACTOR OF 0.370497.
  - (c) HOSPITALS IN HOSPITAL CARE ASSURANCE GROUP FIVE SHALL RECEIVE FUNDS FROM THE DISABILITY ASSISTANCE MEDICAL AND UNCOMPENSATED CARE UNDER ONE HUNDRED PER CENT INDIGENT CARE PAYMENT POOL. THIS POOL IS EQUAL TO THE AMOUNT

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(G) DISTRIBUTION MODEL ADJUSTMENTS AND LIMITATIONS THROUGH THE HOSPITAL CARE ASSURANCE GROUP RESIDUAL POOL AND THE STATEWIDE RESIDUAL POOL.

- (1) For each hospital, subtract the hospital's specific disproportionate share limit as defined in paragraph (H) from the payment amount as calculated in paragraph (F) to determine if a hospital's calculated payment amount is greater than its disproportionate share limit.

If a hospital's calculated payment amount is greater than its disproportionate share limit, then the hospital's payment is equal to the hospital's disproportionate share limit. The portion of the calculated amount above the disproportionate share limit, referred to as residual payment funds, is subtracted from the hospital's calculated payment amount and is applied to the hospital care assurance group residual pool as described in paragraph (G)(2) and the statewide residual payment pool as described in paragraph (G)(3).

~~For each hospital with residual payment funds, apply sixty per cent of the amount to the hospital care assurance group residual pool and apply forty per cent of the residual payment funds to the statewide residual payment pool.~~

- (2) Re-distribution of residual payment funds in the hospital care assurance group residual pool.
  - (a) For all hospitals, calculate the remaining uncompensated care and medicaid shortfall not covered in previous pools or residual payment funds as calculated in paragraph (G)(1). The amount available for distribution, for each hospital care assurance group, is equal to 0.60 multiplied by the residual payment funds from hospitals within each group.
  - (b) For each hospital with remaining uncompensated care and medicaid shortfall not covered in previous pools, in each hospital care assurance group, calculate the remaining uncompensated care and medicaid shortfall not covered in previous pools by subtracting the total payments calculated in paragraph (F) from each hospital's disproportionate share limit as determined in paragraph (H).
  - (c) For all hospitals with remaining uncompensated care and medicaid shortfall not covered in previous pools, within each hospital care assurance group, sum all hospitals' remaining uncompensated care and medicaid shortfall not covered in previous pools as calculated in paragraph (G)(2)(b). Each hospital care assurance group will have a sum of the remaining uncompensated care

- and medicaid shortfall not covered in previous pools for the hospitals in the group.
- (d) For each hospital with remaining uncompensated care and medicaid shortfall not covered in previous pools, in each hospital care assurance group, calculate the ratio of the amount in paragraph (G)(2)(b) to the amount in paragraph (G)(2)(c).
  - (e) For each hospital with remaining uncompensated care and medicaid shortfall not covered in previous pools, in each hospital care assurance group, multiply the ratio calculated in paragraph (G)(2)(d) by the amount in paragraph (G)(2)(a) to determine each hospital's hospital care assurance group residual payment pool amount.
- (3) Re-distribution of residual payment funds in the statewide residual payment pool.
- (a) For all hospitals, calculate the remaining uncompensated care and medicaid shortfall not covered in previous pools, including the hospital care assurance group residual payment pool, or residual payment funds as calculated in paragraph (G)(1). The amount available for distribution is equal to 0.40 multiplied by the total residual payment funds.
  - (b) For all hospitals with remaining uncompensated care and medicaid shortfall not covered in previous pools, calculate the remaining uncompensated care and medicaid shortfall not covered in previous pools by subtracting the total payments calculated in paragraph (G) from each hospital's disproportionate share limit as determined in paragraph (H).
  - (c) For all hospitals with remaining uncompensated care and medicaid shortfall not covered in previous pools, sum all hospitals' remaining uncompensated care and medicaid shortfall not covered in previous pools as calculated in paragraph (G)(3)(b).
  - (d) For all hospitals with remaining uncompensated care and medicaid shortfall not covered in previous pools, calculate the ratio of the amount in paragraph (G)(3)(b) to the amount in paragraph (G)(3)(c).
  - (e) For each hospital with remaining uncompensated care and medicaid shortfall not covered in previous pools, multiply the ratio calculated in paragraph (G)(3)(d) by the amount in paragraph (G)(3)(a) to determine each hospital's statewide residual payment pool amount.

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(H) LIMITATIONS ON DISPROPORTIONATE SHARE AND INDIGENT CARE PAYMENTS MADE TO HOSPITALS

- (1) For each hospital calculate Medicaid shortfall by subtracting total Medicaid payments from total Medicaid costs. For hospitals exempt from the prospective payment system, Medicaid shortfall equals zero.
- (2) For each hospital, calculate total inpatient costs for patients without insurance by multiplying the hospitals' inpatient Medicaid cost-to-charge ratio, by the sum of hospital's reported charges for inpatient disability assistance medical, inpatient uncompensated care under one hundred per cent, and inpatient uncompensated care above one hundred per cent.
- (3) For each hospital, calculate total outpatient costs for patients without insurance by multiplying the hospitals' outpatient Medicaid cost-to-charge ratio, by the sum of hospital's reported charges for outpatient disability assistance medical, outpatient uncompensated care under one hundred per cent, and outpatient uncompensated care above one hundred per cent.
- (4) For each hospital, calculate Medicaid outpatient radiology services shortfall as described in paragraphs (H)(4)(a) to (H)(4)(e).
  - (a) Using the Medicaid claims payment system as the source of data, determine total charges for outpatient radiology procedures, for each hospital, for the time period corresponding to each hospital's fiscal year ending in state fiscal year 1998.
  - (b) Using the Medicaid claims payment system as the source of data, determine total payments for outpatient radiology procedures, for each hospital, for the time period corresponding to each hospital's fiscal year ending in state fiscal year 1998.
  - (c) For each hospital, calculate the hospital specific outpatient cost to charge ratio by dividing total Medicaid outpatient costs by total Medicaid outpatient charges.
  - (d) For each hospital, determine total Medicaid outpatient radiology costs by multiplying the ratio calculated in paragraph (H)(4)(c) by the amount in paragraph (H)(4)(a).
  - (e) For each hospital, total Medicaid outpatient radiology shortfall is equal to the amount in paragraph (H)(4)(d) minus the amount in (H)(4)(b).

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- (5) For each hospital, calculate the hospital disproportionate share limit by adding the medicaid shortfall as described in paragraph (H)(1), inpatient uncompensated care as described in paragraph (H)(2), outpatient uncompensated care as described in paragraph (H)(3), and outpatient radiology shortfall as described in paragraph (H)(4)(e).
- (6) The hospital will receive the lessor of the disproportionate share limit as described in paragraph (H)(5) or the disproportionate share and indigent care payment as calculated in paragraph (F).

Payments are made to each hospital in installments based on the amount calculated for the annual period. The annual period used in performing disproportionate share/indigent care adjustments is the hospital's fiscal year ending in state fiscal year 1998. Payments are subject to reconciliation if errors have been made in calculating the amount of disproportionate share or indigent care adjustments or if adjustments must be made in order to comply with the federal regulations issued under H.R. 3595.

Expenses associated with payment of hospital assessments are allowable as a Medicaid cost for cost reporting purposes.

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- (2) For each hospital with residual payment funds, apply sixty per cent of the amount to the hospital care assurance group residual pool and apply forty per cent of the residual payment funds to the statewide residual payment pool.
- (3) Re-distribution of residual payment funds in the hospital care assurance group residual pool.
- (a) For all hospitals, calculate the remaining uncompensated care and medicaid shortfall not covered in previous pools or residual payment funds as calculated in paragraph (G)(1). The amount available for distribution, for each hospital care assurance grouping, is equal to 0.60 multiplied by the residual payment funds from hospitals within each group.
- (b) For each hospital with remaining uncompensated care and medicaid shortfall not covered in previous pools, in each hospital care assurance grouping, calculate the remaining uncompensated care and medicaid shortfall not covered in previous pools by subtracting the total payments calculated in paragraph (F) from each hospital's disproportionate share limit as determined in paragraph (H).
- (c) for all hospitals with remaining uncompensated care and medicaid shortfall not covered in previous pools, within each hospital care assurance grouping, sum all hospitals' remaining uncompensated care and medicaid shortfall not covered in previous pools as calculated in paragraph (G)(3)(b). Each hospital care assurance grouping will have a sum of the remaining uncompensated care and medicaid shortfall not covered in previous pools for the hospitals in the group.
- (d) for each hospital with remaining uncompensated care and medicaid shortfall not covered in previous pools, in each hospital care assurance grouping, calculate the ratio of the amount in paragraph (G)(3)(b) to the amount in paragraph (G)(3)(c).
- (e) for each hospital with remaining uncompensated care and medicaid shortfall not covered in previous pools, in each hospital care assurance grouping, multiply the ratio calculated in paragraph (G)(3)(d) by the amount in paragraph (G)(3)(a) to determine each hospital's hospital care assurance group residual payment pool amount.
- (4) RE-DISTRIBUTION OF RESIDUAL PAYMENT FUNDS IN THE STATEWIDE RESIDUAL PAYMENT POOL.
- (a) For all hospitals, calculate the remaining uncompensated care and medicaid shortfall not covered in previous pools, including the hospital care assurance

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group residual payment pool, or residual payment funds as calculated in paragraph (G)(1). The amount available for distribution is equal to 0.40 multiplied by the total residual payment funds.

- (b) For all hospitals with remaining uncompensated care and medicaid shortfall not covered in previous pools, calculate the remaining uncompensated care and medicaid shortfall not covered in previous pools by subtracting the total payments calculated in paragraph (G) from each hospital's disproportionate share limit as determined in paragraph (H).
- (c) For all hospitals with remaining uncompensated care and medicaid shortfall not covered in previous pools, sum all hospitals' remaining uncompensated care and medicaid shortfall not covered in previous pools as calculated in paragraph (G)(4)(b).
- (d) For all hospitals with remaining uncompensated care and medicaid shortfall not covered in previous pools, calculate the ratio of the amount in paragraph (G)(4)(b) to the amount in paragraph (G)(4)(c).
- (e) For each hospital with remaining uncompensated care and medicaid shortfall not covered in previous pools, multiply the ratio calculated in paragraph (G)(4)(d) by the amount in paragraph (G)(4)(a) to determine each hospital's statewide residual payment pool amount.

(H) LIMITATIONS ON DISPROPORTIONATE SHARE AND INDIGENT CARE PAYMENTS MADE TO HOSPITALS

- (1) For each hospital calculate medicaid shortfall by subtracting total medicaid payments from total medicaid costs. For hospitals exempt from the prospective payment system, medicaid shortfall equals zero.
- (2) FOR EACH HOSPITAL, CALCULATE TOTAL INPATIENT COSTS FOR PATIENTS WITHOUT INSURANCE BY MULTIPLYING THE HOSPITALS' INPATIENT MEDICAID COST-TO-CHARGE RATIO, BY THE SUM OF HOSPITAL'S REPORTED CHARGES FOR INPATIENT DISABILITY ASSISTANCE MEDICAL, INPATIENT UNCOMPENSATED CARE UNDER ONE HUNDRED PER CENT, AND INPATIENT UNCOMPENSATED CARE ABOVE ONE HUNDRED PER CENT.
- (3) FOR EACH HOSPITAL, CALCULATE TOTAL OUTPATIENT COSTS FOR PATIENTS WITHOUT INSURANCE BY MULTIPLYING THE HOSPITALS' OUTPATIENT MEDICAID COST-TO-CHARGE RATIO, BY THE SUM OF HOSPITAL'S REPORTED CHARGES FOR OUTPATIENT DISABILITY

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**ASSISTANCE MEDICAL, OUTPATIENT UNCOMPENSATED CARE UNDER ONE HUNDRED PER CENT, AND OUTPATIENT UNCOMPENSATED CARE ABOVE ONE HUNDRED PER CENT.**

- (4) For each hospital, calculate Medicaid outpatient radiology services shortfall as described in paragraphs (H)(4)(a) to (H)(4)(e).
- (a) Using the Medicaid claims payment system as the source of data, determine total charges for outpatient radiology procedures, for each hospital, for the time period corresponding to each hospital's fiscal year ending in state fiscal year 1997.
  - (b) Using the Medicaid claims payment system as the source of data, determine total payments for outpatient radiology procedures, for each hospital, for the time period corresponding to each hospital's fiscal year ending in state fiscal year 1997.
  - (c) For each hospital, calculate the hospital specific outpatient cost to charge ratio by dividing total Medicaid outpatient costs by total Medicaid outpatient charges.
  - (d) For each hospital, determine total Medicaid outpatient radiology costs by multiplying the ratio calculated in paragraph (H)(4)(c) by the amount in paragraph (H)(4)(a).
  - (e) For each hospital, total Medicaid outpatient radiology shortfall is equal to the amount in paragraph (H)(4)(d) minus the amount in (H)(4)(b).
- (5) For each hospital, calculate the hospital disproportionate share limit by adding the medicaid shortfall as described in paragraph (H)(1), INPATIENT UNCOMPENSATED CARE AS DESCRIBED IN PARAGRAPH (H)(2), OUTPATIENT UNCOMPENSATED CARE AS DESCRIBED IN PARAGRAPH (H)(3), and outpatient radiology shortfall as described in paragraph (H)(4)(e).
- (6) The hospital will receive the lessor of the disproportionate share limit as described in paragraph (H)(5) or the disproportionate share and indigent care payment as calculated in paragraph (F).

Payments are made to each hospital in installments based on the amount calculated for the annual period. The annual period used in performing disproportionate share/indigent care adjustments is the hospital's fiscal year ending state fiscal year 1997. Payments are subject to reconciliation if errors have been made in calculating the amount of disproportionate share or indigent care adjustments or if adjustments must be made in order to comply with the federal regulations issued under H.R. 3595.

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Disproportionate share and indigent care payment policies for psychiatric hospitals

This section applies to hospitals eligible to participate in Medicaid only for the provision of inpatient psychiatric services to eligible recipients:

- 1. Age 65 and older; and
- 2. Under age 21, or if the recipient was receiving services immediately before he/she reached age 21, services are covered until the earlier of the date he/she no longer requires the services or the date he/she reaches age 22.

The payment policies described below are in accordance with rule 5101:3-2-10. Hospitals eligible to participate only for the provision of inpatient psychiatric services are limited, in accordance with rule 5101:3-2-01, to psychiatric hospitals, and certain alcohol and drug abuse rehabilitation hospitals, that are certified by Medicare for reimbursement of services and are licensed by the Ohio Department of Mental Health or operated under the state mental health authority.

A. Source data for calculations

The calculations described in determining disproportionate share psychiatric and certain alcohol and drug abuse rehabilitation hospitals (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 calendar 1998.

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 at least one of the criteria described under (1) and (2) below, and that also meet the criteria described under (3) below:

- (1) The hospital's Medicaid inpatient utilization rate is at least one standard deviation above the mean Medicaid inpatient utilization rate for all hospitals receiving Medicaid payments in the state.

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 and who are age twenty-one and under or age sixty-five and older, divided by the hospitals total inpatient days.

- (2) The hospital's low-income utilization rate is in excess of twenty-five percent.

The low-income utilization rate is the sum of:

- (a) The sum of total Medicaid revenues for inpatient services and cash subsidies for inpatient services received directly from state and local governments, divided by the sum of total facility inpatient revenues and cash subsidies for patient services received directly from state and local governments, plus

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