

be combined and annualized by the department to reflect one full year of operation. If there is no available or valid cost report from the previous owner, the department shall annualize the cost report from the new owner to reflect one full year of operation. Cost reports for hospitals involved in mergers during the program year that result in the hospitals using one provider number will be combined and annualized by the department to reflect one full year of operation.

(3) Closed hospitals with unique medicaid provider numbers.

For a hospital facility, identifiable to a unique medicaid provider number, that closes during the program year defined in paragraph (A) of rule 5101:3-2-08 of the Administrative Code, the cost report data used shall be adjusted to reflect the portion of the year the hospital was open during the current program year. That partial year data shall be used to determine the distribution to that closed hospital. The difference between the closed hospital's distribution based on the full year cost report and the partial year cost report shall be redistributed to the remaining hospitals in accordance with paragraph ~~(H)~~ (G) of this rule.

For a hospital facility identifiable to a unique medicaid provider number that closed during the immediate prior program year, the cost report data shall be used to determine the distribution that would have been made to that closed hospital. This amount shall be redistributed to the remaining hospitals in accordance with paragraph ~~(H)~~ (G) of this rule.

(4) Replacement hospital facilities.

If a new hospital facility is opened for the purpose of replacing an existing (original) hospital facility identifiable to a unique medicaid provider number and the original facility closes during the program year defined in paragraph (A) of rule 5101:3-2-08 of the Administrative Code, the cost report data from the original facility shall be used to determine the distribution to the new replacement facility if the following conditions are met: (a) both facilities have the same ownership, (b) there is appropriate evidence to indicate that the new facility was constructed to replace the original facility, (c) the new replacement facility is so located as to serve essentially the same population as the original facility, and (d) the new replacement facility has not filed a cost report for the current program year.

For a replacement hospital facility that opened in the immediate prior program year, the distribution for that facility will be based on the cost report data for that facility and the cost report data for the original facility, combined and annualized by the department to reflect one full year of operation.

- (5) Cost report data used in the calculations described in this rule will be the cost report data described in this paragraph subject to any adjustments made upon departmental review prior to final determination which is completed each year and subject to the provisions of ~~paragraphs (G) and (H)~~ of rule 5101:3-2-08 of the Administrative Code.

(D) Determination of indigent care pool.

- (1) The "indigent care pool" means the sum of the following:

- (a) The total assessments paid by all hospitals less the assessments deposited into the legislative budget services fund and the health care services administration fund described in ~~paragraph (F) and (G)~~ of rule 5101:3-2-08 of the Administrative Code.
- (b) The total amount of intergovernmental transfers required to be made by governmental hospitals less the amount of transfers deposited into the legislative budget services fund and the health care services administration fund described in ~~paragraph (F) and (G)~~ of rule 5101:3-2-08 of the Administrative Code.
- (c) The total amount of federal matching funds that will be made available in the same program year as a result of payments made under paragraph (J)(4) of this rule.

(E) Distribution of funds through the indigent care payment pools

The funds are distributed among the hospitals according to indigent care payment pools described in paragraphs (E)(1) to (E)(3) of this rule.

- (1) Hospitals meeting the high federal disproportionate share hospital definition described in paragraph (A)(15) of this rule shall receive funds from the high federal disproportionate share indigent care payment pool.
- (a) For each hospital which meets the high federal disproportionate share definition, calculate the ratio of the hospital's total medicaid costs and total medicaid MCP costs to the sum of total medicaid costs and total medicaid MCP costs for all hospitals which meet the high federal disproportionate share definition.
- (b) For each hospital which meets the high federal disproportionate share

definition, multiply the ratio calculated in paragraph (E)(1)(a) of this rule by \$41,441,812.00. This amount is the hospital's federal high disproportionate share hospital payment amount.

- (2) Hospitals shall receive funds from the medicaid indigent care payment pool.
- (a) For each hospital, calculate medicaid shortfall by subtracting from total medicaid costs, as defined in paragraph (A)(1) of this rule, the total medicaid payments, as defined in paragraph (A)(16) of this rule. For hospitals with a negative medicaid shortfall, the medicaid shortfall amount is equal to zero.
 - (b) For each hospital, calculate medicaid MCP inpatient shortfall by subtracting from the total medicaid managed care plan inpatient costs, as defined in paragraph (A)(2) of this rule, medicaid MCP inpatient payments, as defined in paragraph (A)(22) of this rule. For hospitals with a negative medicaid MCP inpatient shortfall, the medicaid MCP inpatient shortfall amount is equal to zero.
 - (c) For each hospital, calculate medicaid MCP outpatient shortfall by subtracting from the total medicaid managed care plan outpatient costs, as defined in paragraph (A)(3) of this rule, medicaid MCP outpatient payments, as defined in paragraph (A)(23) of this rule. For hospitals with a negative medicaid MCP outpatient shortfall, the medicaid MCP outpatient shortfall amount is equal to zero.
 - (d) For each hospital, calculate medicaid MCP shortfall as the sum of the amount calculated in paragraph (E)(2)(b) of this rule, and the amount calculated in paragraph (E)(2)(c) of this rule.
 - (e) For each hospital, sum the hospital's medicaid shortfall as calculated in paragraph (E)(2)(a) of this rule, medicaid MCP shortfall as calculated in paragraph (E)(2)(d) of this rule, total medicaid costs, total medicaid MCP costs, and total Title V costs.
 - (f) For all hospitals, sum all hospitals medicaid shortfall as calculated in paragraph (E)(2)(a) of this rule, medicaid MCP shortfall as calculated in paragraph (E)(2)(d) of this rule, total medicaid costs, total medicaid MCP costs, and total Title V costs.
 - (g) For each hospital, calculate the ratio of the amount in paragraph (E)(2)(e) of this rule to the amount in paragraph (E)(2)(f) of this rule.

- (h) For each hospital, multiply the ratio calculated in paragraph (E)(2)(g) of this rule by ~~\$90,810,067.00~~\$76,009,499 to determine each hospital's medicaid indigent care payment amount.
- (3) Hospitals shall receive funds from the disability assistance medical and uncompensated care indigent care payment pool.
- (a) For each hospital, sum total disability assistance medical costs defined in paragraph (A)(11) of this rule and total uncompensated care costs under one hundred per cent defined in paragraph (A)(12) of this rule.
- (b) Each hospital's disability assistance medical and uncompensated care under one hundred per cent payment amount is equal to the amount calculated in paragraph (E)(3)(a) of this rule, subject to the following limitations:-
- (i) If the sum of a hospital's payment amounts calculated in paragraphs (E)(1) and (E)(2) of this rule is greater than or equal to its hospital-specific disproportionate share limit defined in paragraph (A)(28) of this rule, the hospital's disability assistance medical and uncompensated care under one hundred per cent payment amount is equal to zero.
- (ii) If the sum of a hospital's payment amounts calculated in paragraphs (E)(1) and (E)(2) of this rule and the amount calculated in paragraph (E)(3)(a) of this rule is less than its hospital-specific disproportionate share limit defined in paragraph (A)(28) of this rule; the hospital's disability medical and uncompensated care under one hundred per cent payment amount is equal to the amount calculated in paragraph (E)(3)(a) of this rule.
- (iii) If a hospital does not meet the condition described in paragraph (E)(3)(b)(i) of this rule, and the sum of its payment amounts calculated in paragraphs (E)(1) and (E)(2) of this rule and the amount calculated in paragraph (E)(3)(a) of this rule is greater than its hospital-specific disproportionate share limit defined in paragraph (A)(28) of this rule; the hospital's disability medical and uncompensated care under one hundred per cent payment amount is equal to the difference between the hospital's disproportionate share limit and the sum of the payment amounts calculated in paragraphs (E)(1) and (E)(2) of this rule.
- (c) For all hospitals, sum the amounts calculated in paragraph (E)(3)(b) of

this rule.

- (d) For each hospital except those meeting either condition described in paragraph (E)(3)(b)(i) or (E)(3)(b)(iii) of this rule, multiply a factor of 0.30 by the hospital's total uncompensated care costs above one hundred percent without insurance, as described in paragraph (A)(13) of this rule. For hospitals meeting the conditions described in paragraph (E)(3)(b)(i) or (E)(3)(b)(iii) of this rule, multiply the hospital's total uncompensated care costs above one hundred percent by zero.
- (e) For all hospitals, sum the amounts calculated in paragraph (E)(3)(d) of this rule.
- (f) For each hospital, calculate the ratio of the amount in paragraph (E)(3)(d) of this rule to the amount in paragraph (E)(3)(e) of this rule.
- (g) Subtract the amount calculated in paragraph (E)(3)(c) of this rule from ~~\$316,441,812.00~~\$272,682,379.
- (h) For each hospital, multiply the ratio calculated in paragraph (E)(3)(f) of this rule; by the amount calculated in paragraph (E)(3)(g) of this rule; to determine each hospital's uncompensated care above one hundred per cent without insurance payment, subject to the following limitations:-
- (i) If the sum of a hospital's uncompensated care above one hundred per cent without insurance payment and the payment amounts calculated in paragraphs (E)(1), (E)(2), and (E)(3)(b) of this rule is less than the hospital's disproportionate share limit defined in paragraph (A)(28) of this rule, then the hospital's uncompensated care above one hundred per cent without insurance payment is equal to the product of multiplying the ratio calculated in paragraph (E)(3)(f) of this rule by the amount calculated in paragraph (E)(3)(g) of this rule.
- (ii) If the sum of a hospital's uncompensated care above one hundred per cent without insurance payment and the payment amounts calculated in paragraphs (E)(1), (E)(2), and (E)(3)(b) of this rule is greater than the hospital's disproportionate share limit defined in paragraph (A)(28) of this rule, then the hospital's uncompensated care above one hundred per cent without insurance payment is equal to the difference between the hospital's disproportionate share limit and the sum of the payment amounts calculated in paragraphs (E)(1), (E)(2), and (E)(3)(b) of this rule.

- (i) For each hospital, sum the amount calculated in paragraph (E)(3)(b) of this rule, and the amount calculated in paragraph (E)(3)(h) of this rule. This amount is the hospital's disability assistance medical and uncompensated care indigent care payment amount.

~~(F) Distribution of funds through the disproportionate share limit pool.~~

- ~~(1) For each hospital, calculate the hospital's specific disproportionate share limit as defined in paragraph (D) of rule 5101:3-2-07.5 of the Administrative Code.~~
- ~~(2) For each hospital, sum the hospital's total payments allocated in paragraphs (E)(1)(b), (E)(2)(h), and (E)(3)(i) of this rule.~~
- ~~(3) For each hospital, multiply a factor of 0.50 by the amount calculated in paragraph (D)(2) of rule 5101:3-2-08 of the Administrative Code.~~
- ~~(4) For each hospital, sum the amounts calculated in paragraphs (F)(2) and (F)(3) of this rule.~~
- ~~(5) Funds in the disproportionate share limit pool will be distributed as described in paragraphs (F)(5)(a) to (F)(5)(c) of this rule.~~
- ~~(a) For each hospital, if the amount calculated in paragraph (F)(2) of this rule is greater than the amount calculated in paragraph (F)(1) of this rule, the hospital will receive no payment from the disproportionate share limit pool.~~
- ~~(b) For each hospital, if the amount calculated in paragraph (F)(4) of this rule is less than the amount calculated in paragraph (F)(1) of this rule, the amount in paragraph (F)(3) of this rule will be the hospital's disproportionate share limit pool payment amount.~~
- ~~(c) For each hospital, if the amount calculated in paragraph (F)(4) of this rule is greater than the amount calculated in paragraph (F)(1) of this rule and the amount calculated in paragraph (F)(2) of this rule is less than the amount calculated in paragraph (F)(1) of this rule, then the hospital's disproportionate share limit pool payment amount will be the difference between the amounts in paragraphs (F)(1) and (F)(2) of this rule.~~

~~(G)(F) Distribution of funds through the rural and critical access payment pools.~~

The funds are distributed among the hospitals according to rural and critical access payment pools described in paragraphs ~~(G)(1)(F)(1)~~ to ~~(G)(2) (F)(2)~~ of this rule.

- (1) Hospitals meeting the definition described in paragraph (A)(27) of this rule,

shall receive funds from the critical access hospital (CAH) payment pool.

- (a) For each hospital with CAH certification, calculate the medicaid shortfall as described in paragraph (E)(2)(a) of this rule.
 - (b) For each hospital with CAH certification, each hospital's CAH payment amount is equal to the amount calculated in paragraph ~~(G)(1)(a)~~ (F)(1)(a) of this rule.
 - (c) For all hospitals with CAH certification, sum the amounts calculated in paragraph ~~(G)(1)(b)~~ (F)(1)(b) of this rule.
 - (d) For each hospital with CAH certification, if the amount described in paragraph ~~(G)(1)(a)~~ (F)(1)(a) of this rule is equal to zero, the hospital shall be included in the RAH payment pool described in paragraph ~~(G)(2)(a)~~ (F)(2)(a) of this rule.
- (2) Hospitals meeting the definition described in paragraph (A)(26) of this rule but do not meet the definition described in paragraph (A)(27) of this rule, shall receive funds from the rural access hospital RAH payment pool.
- (a) For each hospital with RAH classification, as qualified by paragraphs ~~(G)(2)~~ (F)(2) and ~~(G)(1)(d)~~ (F)(1)(d) of this rule, sum the hospital's total payments allocated in paragraphs (E)(1)(b), (E)(2)(h), and ~~(E)(3)(i)~~ (E)(3)(n), and ~~(F)(5)(e)~~ of this rule.
 - (b) For each hospital with RAH classification, as qualified by paragraphs ~~(G)(2)~~ (F)(2) and ~~(G)(1)(d)~~ (F)(1)(d) of this rule subtract the amount calculated in paragraph ~~(G)(2)(a)~~ (F)(2)(a) of this rule, from the amount calculated in paragraph ~~(F)(1)~~ (E)(3)(e) of this rule. If this difference for the hospital is negative, then for the purpose of this calculation set the difference equal to zero.
 - (c) For all hospitals with RAH classification, as qualified by paragraphs ~~(G)(2)~~ (F)(2) and ~~(G)(1)(d)~~ (F)(1)(d) of this rule, sum the amounts calculated in paragraph ~~(G)(2)(b)~~ (F)(2)(b) of this rule.
 - (d) For each hospital with RAH classification, as qualified by paragraphs ~~(G)(2)~~ (F)(2) and ~~(G)(1)(d)~~ (F)(1)(d) of this rule, determine the ratio of the amounts in paragraphs ~~(G)(2)(b)~~ (F)(2)(b) and ~~(G)(2)(e)~~ (F)(2)(c) of this rule.

- (e) Subtract the amount calculated in paragraph ~~(G)(1)(e)(F)(1)(c)~~ of this rule from ~~\$14,540,726.00~~\$12,170,824.
- (f) For each hospital with RAH classification, as qualified by paragraphs ~~(G)(2)(F)(2)~~ and ~~(G)(1)(e)(F)(1)(d)~~ of this rule, multiply the ratio calculated in paragraph ~~(G)(2)(e)(F)(2)(d)~~ of this rule, by the amount calculated in paragraph ~~(G)(2)(e)(F)(2)(e)~~ of this rule, to determine each hospital's rural access hospital payment pool amount.
- (g) For each hospital, sum the amount calculated in paragraph ~~(G)(1)(b)(F)(1)(b)~~ of this rule, and the amount calculated in paragraph ~~(G)(2)(f)(F)(2)(f)~~ of this rule. This amount is the hospital's rural and critical access payment amount.

~~(H)(G)~~ Distribution of funds through the county redistribution of closed hospitals payment pools.

If funds are available in accordance with paragraph (C) of this rule, the funds are distributed among the hospitals according to the county redistribution of closed hospitals payment pools described in paragraphs ~~(H)(1)(G)(1)~~ to ~~(H)(3)(G)(3)~~ of this rule.

- (1) If a hospital facility that is identifiable to a unique medicaid provider number closes during the current program year, the payments that would have been made to that hospital under paragraphs (E), (F), ~~(G)~~ ~~(H)~~, and (I) of this rule for the portion of the year it was closed, less any amounts that would have been paid by the closed hospital under provisions of ~~rules~~ rules 5101:3-2-08 and 5101:3-2-08.1 of the Administrative Code for the portion of the year it was closed, shall be distributed to the remaining hospitals in the county where the closed hospital is located. If another hospital does not exist in such a county, the funds shall be distributed to hospitals in bordering counties within the state.

For each hospital identifiable to a unique medicaid provider number that closed during the immediate prior program year, the payments that would have been made to that hospital under paragraphs (E), (F), ~~(G)~~ ~~(H)~~, and (I) of this rule, less any amounts that would have been paid by the closed hospital under provisions of ~~rules~~ rules 5101:3-2-08 and 5101:3-2-08.1 of the Administrative Code, shall be distributed to the remaining hospitals in the county where the closed hospital was located. If another hospital does not exist in such a county, the funds shall be distributed to hospitals in bordering counties within the state.

If the closed hospital's payments under paragraphs (E), (F), ~~(G)(H)~~, and (I) of this rule does not result in a net gain, nothing shall be redistributed under paragraphs ~~(H)(2)~~ (G)(2) and ~~(H)(3)~~ (G)(3) of this rule.

(2) Redistribution of closed hospital funds within the county of closure.

- (a) For each hospital within a county with a closed hospital as described in paragraph ~~(H)(1)(G)(1)~~ of this rule, sum the amount calculated in paragraph (E)(3)(a) of this rule, and the amount calculated in paragraph (E)(3)(d) of this rule.
- (b) For all hospitals within a county with a closed hospital, sum the amounts calculated in paragraph ~~(H)(2)(a)(G)(2)(a)~~ of this rule.
- (c) For each hospital within a county with a closed hospital, determine the ratio of the amounts in paragraphs ~~(H)(2)(a)(G)(2)(a)~~ and ~~(H)(2)(b)(G)(2)(b)~~ of this rule.
- (d) For each hospital within a county with a closed hospital, multiply the ratio calculated in paragraph ~~(H)(2)(e)(G)(2)(c)~~ of this rule, by the amount calculated in paragraph ~~(H)(1)(G)(1)~~ of this rule, to determine each hospital's county redistribution of closed hospitals payment amount.

(3) Redistribution of closed hospital funds to hospitals in a bordering county.

- (a) For each hospital within a county that borders a county with a closed hospital where another hospital does not exist, as described in paragraph ~~(H)(1)(G)(1)~~ of this rule, sum the amount calculated in paragraph (E)(3)(a) of this rule, and the amount calculated in paragraph (E)(3)(d) of this rule.
- (b) For all hospitals within counties that border a county with a closed hospital where another hospital does not exist, sum the amounts calculated in paragraph ~~(H)(3)(a)(G)(3)(a)~~ of this rule.
- (c) For each hospital within a county that borders a county with a closed hospital where another hospital does not exist, determine the ratio of the amounts in paragraphs (H)(3)(a) and (H)(3)(b) of this rule.
- (d) For each hospital within a county that borders a county with a closed hospital where another hospital does not exist, multiply the ratio

calculated in paragraph ~~(H)(3)(e)(G)(3)(c)~~ of this rule, by the amount calculated in paragraph ~~(H)(1)(G)(1)~~ of this rule, to determine each hospital's county redistribution of closed hospitals payment amount.

(H) Distribution of funds through the disproportionate share limit pool.

- (1) For each hospital, calculate the hospital's specific disproportionate share limit as defined in paragraph (A)(28) of this rule.
- (2) For each hospital, sum the hospital's total payments allocated in paragraphs (E), (F), and (G) of this rule.
- (3) For each hospital, multiply a factor of 0.4185 by the hospital's assessment amount calculated in rule 5101:3-2-08.1 of the Administrative Code.
- (4) For each hospital, sum the amounts calculated in paragraphs (H)(2) and (H)(3) of this rule.
- (5) Funds in the disproportionate share limit pool will be distributed as described in paragraphs (H)(5)(a) to (H)(5)(c) of this rule.
 - (a) For each hospital, if the amount calculated in paragraph (H)(2) of this rule is greater than the amount calculated in paragraph (H)(1) of this rule, the hospital will receive no payment from the disproportionate share limit pool.
 - (b) For each hospital, if the amount calculated in paragraph (H)(4) of this rule is less than the amount calculated in paragraph (H)(1) of this rule, the amount in paragraph (H)(3) of this rule will be the hospital's disproportionate share limit pool payment amount.
 - (c) For each hospital, if the amount calculated in paragraph (H)(4) of this rule is greater than the amount calculated in paragraph (H)(1) of this rule and the amount calculated in paragraph (H)(2) of this rule is less than the amount calculated in paragraph (H)(1) of this rule, then the hospital's disproportionate share limit pool payment amount will be the difference between the amounts in paragraphs (H)(1) and (H)(2) of this rule.

(I) Distribution model adjustments and limitations through the statewide residual pool.

- (1) For each hospital, sum the payment amounts as calculated in paragraphs ~~(F)(2); (F)(5); (G)(2)(g); (H)(2)(d) and (H)(3)(d)~~(E), (F), (G), and (H) of this rule. This is the hospital's calculated payment amount.

- (2) For each hospital, subtract the hospital's disproportionate share limit as calculated in paragraph ~~(F)(1)~~(H)(1) of this rule from the payment amount as calculated in paragraph (I)(1) of this rule to determine if a hospital's calculated payment amount is greater than its disproportionate share limit. If the hospital's calculated payment amount as calculated in paragraph (I)(1) of this rule is greater than the hospital's disproportionate share limit calculated in paragraph ~~(F)(1)~~(H)(1) of this rule, then the difference is the hospital's residual payment funds.
- (3) If a hospital's calculated payment amount, as calculated in paragraph (I)(1) of this rule, is greater than its disproportionate share limit defined in paragraph ~~(F)(1)~~ (H)(1) of this rule, then the hospital's payment is equal to the hospital's disproportionate share limit.
- (a) The hospital's residual payment funds as calculated in paragraph (I)(2) of this rule is subtracted from the hospital's calculated payment amount as calculated in paragraph (I)(1) of this rule and is applied to and distributed as the statewide residual payment pool as described in paragraph (I)(4) of this rule.
- (b) The total amount distributed through the statewide residual pool will be the sum of the hospital care assurance fund described in paragraph (J)(4) minus the sum of the lesser of each hospital's calculated payment amount calculated in (I)(1) of this rule or the hospital's disproportionate share limit calculated in paragraph ~~(F)(1)~~(H)(1) of this rule.
- (4) Redistribution of residual payment funds in the statewide residual payment pool.
- (a) For each hospital meeting the high federal disproportionate share hospital definition described in paragraph (A)(15) of this rule, with a calculated payment amount that is not greater than the disproportionate share limit, as described in paragraph (I)(3) of this rule, subtract the amount in paragraph (I)(1) of this rule from the amount in paragraph ~~(F)(1)~~ (H)(1) of this rule.
- (b) For ~~all~~ hospitals meeting the high federal disproportionate share definition described in paragraph (A)(15) of this rule, with calculated payment amounts that are not greater than the disproportionate share limit, sum the amounts calculated in paragraph (I)(4)(a) of this rule.
- (c) For each hospital meeting the high federal disproportionate share

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definition described in paragraph (A)(15) of this rule, with a calculated payment amount that is not greater than the disproportionate share limit, determine the ratio of the amounts in paragraphs (I)(4)(a) and (I)(4)(b) of this rule.

- (d) For each hospital meeting the high federal disproportionate share definition described in paragraph (A)(15) of this rule, with a calculated payment amount that is not greater than the disproportionate share limit, multiply the ratio calculated in paragraph (I)(4)(c) of this rule by the total amount distributed through the statewide residual pool described in paragraph (I)(3)(b) of this rule. This amount is the hospital's statewide residual payment pool payment amount.

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