

- (m) Apparel: PPI – textile products and apparel, U.S. The weight is .0087.
- (n) Machinery and equipment: PPI – machinery and equipment, U.S. The weight is .0021.
- (o) Miscellaneous products: PPI – finished goods, U.S. The weight is .0224.
- (p) Postage: CPIU – postage, U.S. The weight is .0027.
- (q) Telephone services: CPIU – telephone services, U.S. The weight is .0058.
- (r) All other, labor intensive: ECI – compensation business services, U.S. The weight is .0728.
- (s) All other, non-labor intensive: CPIU – all items, ENC. The weight is .0080.
- (t) Miscellaneous: CPIU – medical care, ENC. The weight is .0849.

(2) Application of estimated inflation factors.

The inflation values applied at the beginning of each rate year to produce a new composite inflation factor shall be based on the estimate of price indicators outlined in paragraphs (G) and (G)(1) of this rule that have been supplied to the department by three months prior to the beginning of a new rate year, except for rate years beginning on or after January 1, 2009 and ending on or before December 31, 2013, the composite inflation factor will be adjusted to 0.00 per cent. Notwithstanding the 0.00 per cent composite inflation factor updates in this paragraph, for discharges occurring during the period beginning October 1, 2009 and ending June 30, 2013 a five per cent increase shall be applied to the rates in effect on September 30, 2009. The inflation factors shall be uniformly applied to the average cost per discharge component and shall remain fixed for that rate period.

TN: 11-011
Supersedes:
TN: 09-015

Approval Date: FEB 17 2012
Effective Date: 7/1/2011

OS Notification

State/Title/Plan Number: Ohio 11-011
Type of Action: SPA Approval
Required Date for State Notification: March 21, 2012
Fiscal Impact: FY 2011 \$28,027,000
FY 2012 \$115,788,000

Number of Services Provided by Enhanced Coverage, Benefits or Retained Enrollment: 0

Number of Potential Newly Eligible People: 0

Eligibility Simplification: No

Provider Payment Increase: Yes

Delivery System Innovation: No

Number of People Losing Medicaid Eligibility: No

Reduces Benefits: No

Detail: Effective for services on or after July 1, 2011, this amendment proposes the continuation of a 5% increase to the inpatient hospital reimbursement rates through December 31, 2013. Additionally, this amendment sets the inpatient hospital adjustment factor for inflation to zero percent through December 31, 2013. The State met public process requirements. The non-Federal share of these payments is funded by State appropriations. There are no issues with the UPL

Ohio reimburses providers of inpatient hospital services under a DRG based prospective payment system (PPS). In addition, in calculating the prospective payment rate, the State adjusts costs to reflect inflation. However, beginning January 1, 2006, the adjustment factor for inflation was set at 0%. This amendment proposes to continue the application of an adjustment factor of 0% through December 31, 2013.

Beginning October 1, 2009, the State provided a 5% increase to the rates in effect on September 30, 2009, for discharges occurring through June 30, 2011. This amendment proposes to continue the 5% increase to the rates in effect on September 30, 2009, through June 30, 2013.

Other Considerations: This plan amendment has not generated significant outside interest and we do not recommend the Secretary contact the governor.

Recovery Act Impact:

The Regional office has reviewed this state plan amendment in conjunction with the Recovery Act and, based on the available information provided by the State regarding 1) MOE; 2) local match; 3) prompt pay; 4) rainy day funds, and 5) eligible expenditures, the Regional Office believes that the State is not in violation of the Recovery Act requirements noted above.

CMS Contact:

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