

2-a. Supplemental outpatient hospital upper limit payments for private, public non state-owned and public state-owned hospitals

Supplemental Outpatient Payments for State-owned and Operated Hospitals:

- A. Ohio hospitals owned and operated by the state as of October 1 of the year preceding payments (state hospitals) shall be paid supplemental amounts for the provision of hospital outpatient services set forth in this section. The supplemental amounts shall be in addition to any other amounts payable to hospitals with respect to those services.
- B. Data sources used in calculating supplemental payments to state hospitals include the Medicare Cost Report (CMS 2552-96) and Medicaid MMIS outpatient fee-for-service date of service claims data. For state fiscal years 2012 and 2013, the Hospital fiscal year ending in SYF 2010 Medicare cost reports retrieved from the Hospital Cost Report Information System and Medicaid MMIS outpatient visit date of service claims data and Ohio Medicaid Hospital Cost Report (JFS 02930, Rev. 4/2010) payment data from the state fiscal year prior to the month of payment will be utilized unless otherwise noted.
- C. The total supplemental payments shall not exceed the amount calculated using the following methodology:
 1. For each state owned or operated hospital, total Medicare outpatient costs were divided by the total outpatient Medicare charges to establish the hospital specific outpatient Cost to Charge Ratio (CCR). Medicare cost reports with hospital fiscal years ending in SFY 2010 (7/1/2009-6/30/2010) were utilized.
 2. For each state owned or operated hospital, total Ohio Medicaid outpatient charges were multiplied by the CCR calculated in paragraph (C)(1) to calculate Ohio Medicaid outpatient costs.
 3. The outpatient hospital market basket update value of 2.6% was applied to each state owned or operated Ohio hospital's Medicaid costs from paragraph (C)(2) at a discounted rate for hospitals with fiscal year end prior to 2010 state fiscal year end 6/30/2010 plus for two years to determine the UPL for SFY 2012 and a third for SFY 2013. Ohio Medicaid outpatient costs were additionally multiplied by a factor of 1.01 for the Critical Access Hospitals.
 4. Ohio Medicaid outpatient payments for state fiscal year 2010 were then subtracted to find the outpatient upper payment limit gap. The sum of the differences for these public hospitals represents the total state owned outpatient Upper Payment Limit gap.
- D. From a pool of funds equal to the upper payment limit gap calculated in (C)(4), state owned or operated hospitals shall receive a payment equal to a percentage increase in outpatient hospital Medicaid payments applied to SFY 2010 outpatient hospital Medicaid fee-for-service payments. This percentage increase will be equal to the pool amount

divided by total state hospital SFY 2010 Medicaid outpatient fee-for-service payments. Supplemental payments shall be paid in four installments within the state fiscal year.

- E. Supplemental payments made to cost based providers will be excluded from the cost settlement process.
- F. Hospital payments made under this section, when combined with other payments made under the State plan shall not exceed the limit specified in 42 CFR 447.321.
- G. The total funds that will be paid to each hospital will be included in the calculation of disproportionate share limits as described in rule 5101:3-2-07.5 of the Ohio Administrative Code.

Supplemental Outpatient Payments for Public Non-state Government-owned and Operated Hospitals:

- H. Ohio hospitals owned and operated by a government entity other than the state as of October 1 of the year preceding payments (public non-state owned hospitals) shall be paid supplemental amounts for the provision of hospital outpatient services set forth in this section. The supplemental amounts shall be in addition to any other amounts payable to hospitals with respect to those services.
- I. Data sources used in calculating supplemental payments to public non-state owned hospitals include the Medicare Cost Report (CMS 2552-96) and Medicaid MMIS outpatient fee-for-service date of service claims data. For state fiscal years 2012 and 2013, the Hospital fiscal year ending in SFY 2010 Medicare cost reports retrieved from the Hospital Cost Report Information System and Medicaid MMIS outpatient visit date of service claims data and Ohio Medicaid Hospital Cost Report (JFS 02930, Rev. 4/2010) payment data from the SFY prior to the month of payment will be utilized unless otherwise noted.
- J. The total supplemental payments shall not exceed the amount calculated using the following methodology:
1. For each public non-state government owned and operated hospital, total Medicare outpatient costs were divided by the total outpatient Medicare charges to establish the hospital specific outpatient Cost to Charge Ratio (CCR). Medicare cost reports with hospital fiscal years ending in SFY 2010 (7/1/2009-6/30/2010) were utilized.
 2. For each public non-state government owned and operated hospital, total Ohio Medicaid outpatient charges were multiplied by the CCR calculated in paragraph (J)(1) to calculate Ohio Medicaid outpatient costs.
 3. The outpatient hospital market basket update value of 2.6% was applied to Ohio Medicaid outpatient costs from paragraph (J)(2) at a discounted rate for hospitals with fiscal year end prior to 2010 state fiscal year end 6/30/2010 plus for two years to determine the UPL for SFY 2012 and a third for SFY 2013. Ohio Medicaid outpatient costs were additionally multiplied by a factor of 1.01 for the Critical Access Hospitals.
 4. Ohio Medicaid outpatient payments for state fiscal year 2010 were then subtracted to find the outpatient upper payment limit gap. The sum of the differences for these public hospitals represents the total non-state government-owned outpatient Upper Payment Limit gap.
- K. From a pool of funds in the total amount of \$3,673,852 in both SFY 2012 and SFY 2013, payments shall be made to all public non-state owned hospitals paid under the outpatient prospective payment system. This payment will be equal to the pool amount multiplied by the hospital specific ratio of hospital's outpatient Medicaid fee-for-service visits to the total Medicaid outpatient fee-for-service visits for all public non-state owned hospitals

paid under the outpatient prospective payment system. Supplemental payments under this section shall be paid semiannually.

- L. From a pool of funds equal to the upper payment limit gap calculated in (J)(4) less payments made in (K), public non-state owned hospitals with fewer than 200 hospital beds shall receive a percentage increase applied to SFY 2010 outpatient Medicaid fee-for-service payments. This percentage increase will be equal to the pool amount divided by the total small public non-state hospital SFY 2010 Medicaid outpatient fee-for-service payments. Supplemental payments under this section shall be paid in four installments within the state fiscal year.
- M. Supplemental payments made to cost-based providers will be excluded from the cost settlement process.
- N. Hospital payments made under this section, when combined with other payments made under the State plan shall not exceed the limit specified in 42 CFR 447.321.
- O. The total funds that will be paid to each hospital will be included in the calculation of disproportionate share limits as described in rule 5101:3-2-07.5 of the Ohio Administrative Code.

Supplemental Outpatient Payments for Private hospitals:

- P. All privately owned Ohio hospitals as of October 1 of the year preceding payments (private hospitals) shall be paid supplemental amounts for the provision of hospital outpatient services set forth in this section. The supplemental amounts shall be in addition to any other amounts payable to hospitals with respect to those services.
- Q. Data sources used in calculating supplemental payments to private hospitals include the Medicare Cost Report (CMS 2552-96) and Medicaid MMIS outpatient fee-for-service date of service claims data. For state fiscal years 2012 and 2013, the Hospital fiscal year ending in SFY 2010 Medicare cost reports retrieved from the Hospital Cost Report Information System and Medicaid MMIS outpatient visit date of service claims data and Ohio Medicaid Hospital Cost Report (JFS 02930, Rev. 4/2010) payment data from the SFY prior to the month of payment will be utilized unless otherwise noted.
- R. The total supplemental payments shall not exceed the amount calculated using the following methodology:
1. For each private Ohio hospital, total Medicare outpatient costs were divided by the total outpatient Medicare charges to establish the hospital specific outpatient Cost to Charge Ratio (CCR). Medicare cost reports with hospital fiscal years ending in SFY 2010 (7/1/2009-6/30/2010) were utilized.
 2. For each private Ohio hospital, total Ohio Medicaid outpatient charges were multiplied by the CCR calculated in paragraph (R)(1) to calculate Ohio Medicaid outpatient costs.
 3. The outpatient hospital market basket update value of 2.6% was applied to Ohio Medicaid outpatient costs from paragraph (R)(2) at a discounted rate for hospitals with fiscal year end prior to 2010 state fiscal year end 6/30/2010 plus for two years to determine the UPL for SFY 2012 and a third for SFY 2013. Ohio Medicaid costs were additionally multiplied by a factor of 1.01 for the Critical Access Hospitals.
 4. Ohio Medicaid outpatient hospital payments for state fiscal year 2010 were then subtracted to find the outpatient upper payment limit gap. The sum of the differences for these private hospitals represents the total privately-owned outpatient UPL gap.
- S. From a pool of funds in the total amount of \$11,806,618 in both SFY 2012 and SFY 2013, payments shall be made to all private Ohio hospitals paid under the outpatient prospective payment system, except Children's Hospitals. The payment will be equal to the pool amount multiplied by the ratio of each private Ohio hospital paid under the outpatient prospective payment system outpatient Medicaid fee-for-service visits to the total outpatient Medicaid fee-for-service encounters for all Ohio private hospitals paid under the outpatient prospective payment system.
- T. From a pool of funds equal to the upper payment limit gap calculated in paragraph (R)(4), less payments made in paragraph (S), private hospitals will be paid the following

supplemental payments for the provision of hospital outpatient services. All private hospitals shall receive a percentage increase applied to total SFY 2010 Medicaid outpatient fee-for-service payments. This percentage increase will be equal to the pool amount divided by total private hospital SFY 2010 Medicaid outpatient fee-for-service payments.

- U. Supplemental payments in paragraph (R) shall be paid semiannually and supplemental payments in paragraph (S) shall be paid in four installments within the state fiscal year.
- V. Supplemental payments made to cost-based providers will be excluded from the cost settlement process.
- W. Hospital payments made under this section, when combined with other payments made under the State plan shall not exceed the limit specified in 42 CFR 447.321.
- X. The total funds that will be paid to each hospital will be included in the calculation of disproportionate share limits as described in rule 5101:3-2-07.5 of the Ohio Administrative Code.