

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State of VIRGINIA

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATE-
OTHER TYPES OF CARE

5. Supplemental Payments for Private Hospital Partners of Type One Hospitals. Effective for dates of service on or after October 25, 2011, quarterly supplemental payments shall be issued to qualifying private hospitals for outpatient services rendered during the quarter. Maximum aggregate payments to all qualifying hospitals in this group shall not exceed the available upper payment limit per state fiscal year.
- a. Qualifying criteria. In order to qualify for the supplemental payment, the hospital must be currently enrolled as a Virginia Medicaid provider, and must be owned or operated by a private entity where a Type One hospital has a non-majority interest. The only qualifying hospital as of October 25, 2011 is Culpeper Hospital.
 - b. Reimbursement methodology. Each qualifying hospital shall receive quarterly supplemental payments for the outpatient services rendered during the quarter. Each quarterly payment distribution shall occur not more than 2 years after the year in which the qualifying hospitals' entitlement arises. The annual supplemental payments in a fiscal year will be the lesser of:
 - (1) The difference between each qualifying hospital's outpatient Medicaid billed charges and Medicaid payments the hospital receives for services processed for fee-for-service Medicaid recipients during the fiscal year; or,
 - (2) \$1,894 per Medicaid outpatient visit at Culpeper Hospital for state plan rate year 2012 (for future state plan rate years, this number shall be adjusted by inflation based on the Virginia moving average values as compiled and published by Global Insight (or its successor), under contract with the department);
 - (3) For hospitals participating in the Medicaid Disproportionate Share Hospital (DSH) Program, the difference between the limit calculated under the Social Security Act § 1923(g) and the hospital's DSH payments for the applicable payment period.
 - c. Limit. Maximum aggregate payments to all qualifying hospitals in this group shall not exceed the available upper payment limit per state fiscal year.

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