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State/Territory Name: OH

State Plan Amendment (SPA) #: 23-0030

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form (with 179-like data)
- 3) Approved SPA Pages

Financial Management Group

December 11, 2023

Maureen Corcoran, Director
Ohio Department of Medicaid
50 West Town Street, Suite 400
Columbus, Ohio 43215

RE: Ohio State Plan Amendment (SPA) 23-0030

Dear Ms. Corcoran:

We have reviewed the proposed amendment to Attachments 4.19-A of your Medicaid State plan submitted under transmittal number 23-0030 titled “Payment for Services: Inpatient Hospital: Institutions for Mental Disease – Disproportionate Share Hospital (IMD-DSH) Payment Update.”

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30), 1903(a), and 1923 of the Social Security Act and the implementing Federal regulations at 42 CFR 447 Subpart C. We have found that the proposed reimbursement methodology complies with applicable requirements and therefore have approved them with an effective date of September 28, 2023. We are enclosing the CMS-179 and the amended approved plan pages.

If you have any questions, please contact Fredrick Sebree at Fredrick.Sebree@cms.hhs.gov.

Sincerely,



Rory Howe
Director

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER

2 3 — 0 0 3 0

2. STATE

OH

3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT

XIX XXI

TO: CENTER DIRECTOR
CENTERS FOR MEDICAID & CHIP SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

September 28, 2023

5. FEDERAL STATUTE/REGULATION CITATION

Section 1923 of the Social Security Act

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)

a. FFY 2023 \$ 0
b. FFY 2024 \$ 0

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Attachment 4 .19-A, Page 22

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)

Attachment 4.19-A, Page 22 (TN 21-017)

9. SUBJECT OF AMENDMENT

Payment for Services: Inpatient Hospital: Institutions for Mental Disease--Disproportionate Share Hospital (IMD-DSH) Payment Update

10. GOVERNOR'S REVIEW (Check One)

- GOVERNOR'S OFFICE REPORTED NO COMMENT
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

OTHER, AS SPECIFIED:
The State Medicaid Director is the Governor's designee

11. SIGNATURE OF STATE AGENCY OFFICIAL

[Redacted Signature]

12. TYPED NAME MAUREEN M. CORCORAN

13. TITLE STATE MEDICAID DIRECTOR

14. DATE SUBMITTED
September 29, 2023

15. RETURN TO

Greg Niehoff
Ohio Department of Medicaid
P.O. BOX 182709
Columbus, Ohio 43218

FOR CMS USE ONLY

16. DATE RECEIVED
9/29/2023

17. DATE APPROVED
December 11, 2023

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL
9/28/2023

19. SIGNATURE OF APPROVING OFFICIAL

[Redacted Signature]

20. TYPED NAME OF APPROVING OFFICIAL
Rory Howe

21. TITLE OF APPROVING OFFICIAL
Director, FMG

22. REMARKS

Disproportionate share and indigent care payment policies for psychiatric hospitals

This section applies to psychiatric hospitals eligible to participate in Medicaid in accordance with Attachment 4.19-A, Section I, Subsection (A), that are certified by Medicare for reimbursement of services, and are licensed by the Ohio Department of Mental Health and Addiction Services or operated under the state mental health authority.

A. Source data for calculations

The calculations described in determining disproportionate share psychiatric 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 the state fiscal year that ends in the federal fiscal year preceding each program year.

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 the requirements in Attachment 4.19-A, page 13, subsection (B)(3), and meet both of the criteria described in subsection (B)(1) and (B)(2) of this section.

- (1) The hospital's Medicaid inpatient utilization rate is greater than or equal to 1%.

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 in accordance with Attachment 4.19-A, Section I, subsections (A)(2) to (A)(4), divided by the hospital's total inpatient days.

- (2) The hospital's uncompensated care costs is at least 60% of the hospital's total allowable inpatient costs.

Uncompensated care costs are defined as total inpatient allowable costs less insurance revenues, self-pay revenues, total Medicaid revenues and uncompensated care costs rendered to patients with insurance for the service provided.

C. Distribution of funds

The funds available are distributed among hospitals according to the payment formula described below. Hospitals will be distributed a payment amount based on the lesser of their uncompensated care costs or their disproportionate share payment. Each hospital's disproportionate share payment is calculated as follows:

$$\frac{\text{Hospital specific uncompensated care costs}}{\text{Sum of uncompensated care costs for all hospitals}} \times \text{Disproportionate share funds available for distribution}$$

- (1) Funds available for distribution by tier.

Each hospital will be distributed a payment amount based on the lesser of their:

- (a) Uncompensated care costs; or
- (b) Disproportionate share payment amount

D. Disproportionate share funds

The maximum amount of disproportionate share funds available for distribution to psychiatric hospitals will be determined by subtracting the funds distributed in accordance with Attachment 4.19-A, pages 13 to 14 from the state's disproportionate share limit as described in subparagraph (f) of section 1923 of the Social Security Act, 49 Stat. 620 (1935), 42 USC 1396-r-4 (f), as amended.