

**OHIO DEPARTMENT OF HUMAN SERVICES  
AND  
THE OHIO DEPARTMENT OF MENTAL HEALTH  
INTERAGENCY AGREEMENT  
A-98-07-033**

**I.  
PURPOSE**

This agreement is entered into by the Ohio Department of Human Services (hereinafter "ODHS") and the Ohio Department of Mental Health (hereinafter "ODMH") to establish the relationship of the departments with regard to the care of Medicaid-eligible patients in psychiatric hospitals.

**II.  
DEFINITIONS**

OAC	Ohio Administrative Code
OPAM	Ohio Public Assistance Manual
ORC	Ohio Revised Code
F	Federal Financial Participation
HHS	The federal Department of Health and Human Services
Inpatient	Refers to psychiatric inpatient services provided in freestanding psychiatric hospitals
FY	Fiscal Year

**III.  
RESPONSIBILITIES OF THE OHIO DEPARTMENT OF HUMAN SERVICES**

**A. Program Related**

1. Determine eligibility of Medicaid applicants on a timely basis according to appropriate provisions of the OPAM, federal regulations, OAC rules, and applicable federal and state laws.
2. Process provider enrollment applications for those hospitals which are determined to be eligible to participate in the Medicaid program in accordance with Chapter 5101:3-2 of the OAC. Refer to section IV.A.5. of this agreement regarding the enrollment of hospitals eligible to participate in the Medicaid program for the provision of inpatient psychiatric hospital services.
3. Promulgate administrative rules and state plan amendments related to inpatient psychiatric hospital services rendered by eligible providers, hereinafter referred to as hospitals, as defined in paragraph III.A.2. of this agreement. The ODHS rules will incorporate a reference to ODMH rules governing the licensing and operation of hospitals that provide inpatient psychiatric services. ODHS will consult with ODMH in the development and revision of these rules; however, as the single state agency authorized to administer the Medicaid program, ODHS will have final approval of administrative rules governing Medicaid services.

TN No. 97-024 APPROVAL DATE 10/31/97  
SUPERCEDES TN No. 96-25 EFFECTIVE DATE 7-1-97

## INTERAGENCY AGREEMENT, OHIO DEPARTMENT MENTAL HEALTH

PAGE 2 OF 9

4. Provide to **ODMH** all material which is distributed by **ODHS** to hospital providers who participate in the Medicaid program. Such material will be provided to **ODMH** at the same time as to Medicaid providers.

**B. Fiscally Related** Applicable to Hospitals Eligible to Participate in the Medicaid Program Only for the Provision of Inpatient Psychiatric Hospital Services in Accordance With OAC 5101:3-2-01(B)

1. Process claims (invoices) from eligible private psychiatric hospital providers for covered services, determine a per-discharge payment in accordance with Chapter 5101:3-2 of the OAC, and generate provider-specific Remittance Advices on a weekly basis. **ODHS** will designate **ODMH** as the "Pay To" address on each provider's **ODHS** Provider Enrollment record. **ODHS** will not make payments to private psychiatric hospital providers.
2. Claims for services provided by public psychiatric hospitals will be processed for payment within 10 days of receipt of the claim from **ODMH**. **ODHS** will designate **ODMH** as the "Pay To" address on each provider's **ODHS** Provider Enrollment record. **ODHS** will not make payments to public psychiatric hospitals.
3. Transfer the FFP for public and private psychiatric hospital inpatient services and for public and private psychiatric hospital crossover payments for Medicare Part A- Inpatient and Part B- Ancillary claims to **ODMH**, through an intrastate transfer voucher (ISTV), pursuant to the State's guidelines for cash management and federal claiming. The transfer of FFP under this provision is not subject to the interest provisions of the Ohio Revised Code (ORC) Section 126.12.
4. Provide assistance to **ODMH** regarding claim status inquiries.
5. Decline to make payment for outstanding services if **ODMH** fails to provide information or access to audit as specified in Section IV.B.6., 7., and 8. of this agreement.

**C. Fiscally Related** Applicable to Physician Services Covered in Accordance With Chapter 5101:3-4 of the OAC Provided to Medicaid Recipients Receiving Inpatient Psychiatric Hospital Services Covered in Accordance with OAC 5101:3-2.

1. Make payment for claims for physician services provided to Medicaid recipients in private psychiatric hospitals.
2. Process claims (invoices) for physician services provided to Medicaid recipients in public psychiatric hospitals, and generate and transmit a Remittance Advice.
3. Transfer to **ODMH** the FFP for physician services and for Medicare Part B- Physician crossover claims for Medicaid recipients in public psychiatric hospitals, through an ISTV, pursuant to the State's guidelines for cash management and federal claiming. The transfer of FFP under this provision is not subject to the interest provisions of ORC Section 126.12.

## IV.

## RESPONSIBILITIES OF OHIO DEPARTMENT OF MENTAL HEALTH

A. Program Related

1. Provide to **ODHS** data required for federal reports in a timely manner and in a format specified by **ODHS**.
2. Provide to **ODHS** all material which is distributed by **ODMH** to psychiatric hospital providers who participate in the Medicaid program. Such material will be provided to **ODHS** at the same time as to Medicaid providers.

TN No. 97-024 APPROVAL DATE 10/31/97  
 SUPERCEDES TN No. 96-25 EFFECTIVE DATE 7-1-97

## INTERAGENCY AGREEMENT, OHIO DEPARTMENT MENTAL HEALTH

PAGE 3 OF 9

3. Assist **ODHS** in the development of administrative rules and state plan amendments. As the single state agency authorized to administer the Medicaid program, **ODHS** will have final approval of administrative rules governing Medicaid services.
4. Perform utilization review functions for providers of inpatient psychiatric hospital services according to section VI of this agreement.
5. Perform preadmission certification functions for psychiatric admissions as described in section VI of this agreement.
6. Receive Medicaid provider enrollment applications from psychiatric hospitals eligible to participate in the Medicaid program for the provision of inpatient psychiatric hospital services in accordance with OAC 5101:3-2-01(B) and (D). Verify that applicants meet requirements for participation in the Medicaid program and forward completed application to **ODHS** for assignment of a Medicaid provider number.
7. Advise and assist **ODHS** in determining if out-of-state hospitals are qualified psychiatric hospitals; if services they provide are available in Ohio; and, if the patients' needs are of an emergency nature.

- B. Fiscally Related**      Applicable to Hospitals Eligible to Participate in the Medicaid Program Only for the Provision of Inpatient Psychiatric Hospital Services in Accordance With OAC 5101:3-2-01(B).

Provisions of this section (IV.B.) of the agreement are applicable to those inpatient hospital claims paid beginning with the first payment cycle of November 1995.

1. Submit to **ODHS** Claims Processing Section, within 365 days of the date of service, claims for inpatient psychiatric services provided by public psychiatric hospitals.
2. Remit to the private psychiatric hospital providers 100% of the Medicaid payment per discharge as determined in accordance with paragraph III. B.1. of this agreement.
3. Assume responsibility for 100% of the Medicaid payment for Medicare Part A- Inpatient and Part B- Ancillary crossover claims for services rendered to Medicare/Medicaid-eligible individuals by private psychiatric hospitals, in accordance with paragraph III, B.1. of this agreement.
4. Certify as Medicaid reimbursable the expenditures for public and private psychiatric hospital services. In order to meet the state's requirements for the claiming of federal funds, payments for public psychiatric hospital services will be made from the **ODMH** Fund 4x5 ALI 333-607 for only the FFP share. No further payments will be made for the same services. **ODMH** will certify the state share, and will provide the required state share for inpatient psychiatric hospital services.
5. Process inquiries regarding the status of claims in accordance with OAC rule 5101:3-1-199 and respond as appropriate to the provider.
6. Ensure that all necessary financial, statistical and related records (which shall be available to **ODHS**, **HHS**, and other state and federal agencies having authority to audit these records) supporting the expenditures for services rendered to recipients are maintained for a period of six years from remittance of payment, or until an audit is completed and all exceptions resolved.
7. Make records available upon request from **ODHS**, **HHS** or designee for audit purposes.
8. Provide **ODHS** with any data required for HCFA reports related to inpatient hospital services.

- C. Fiscally Related**      Applicable for Physician Services Covered in Accordance With OAC 5101:3-4 Provided to Medicaid Recipients Receiving Inpatient Psychiatric Hospital Services Covered in Accordance with OAC 5101:3-2

TN No. 97-024      APPROVAL DATE 10-31-97  
 SUPERCEDES TN No. 96-25      EFFECTIVE DATE 7-1-97

INTERAGENCY AGREEMENT, OHIO DEPARTMENT MENTAL HEALTH

1. Submit to **ODHS** Claims Processing Section, within 365 days from the date of services, claims for physician services provided to Medicaid recipients in public psychiatric hospitals.
2. Certify as Medicaid reimbursable the expenditures the expenditures for physician services and for Medicare Part B- Physician crossover claims for Medicaid recipients in public psychiatric hospitals. In order to meet the state's requirements for the claiming of federal funds, payments for physician services and Medicare Part B physician crossover claims for Medicaid recipients in public psychiatric hospitals will be made from the **ODMH** Fund 4x5 ALI 333-607 for only the FFP share. No further payments will be made for the same services. **ODMH** will certify the state share, and will provide the required state share for physician services and Medicare Part B crossover claims for Medicaid recipients in public psychiatric hospitals.
3. Ensure that all necessary financial, statistical and related records (which shall be available to **ODHS** and to HHS and other state and federal agencies having authority to audit these records) supporting the expenditures for services rendered to recipients are maintained for a period of six years from remittance of payment, or until an audit is completed and all exceptions resolved.
4. Make records available upon request from **ODHS**, HHS or designee for audit purposes.

V.

SUMMARY OF AGENCY PAYMENT RESPONSIBILITY

- A. Fiscally Related Applicable to Hospitals Eligible to Participate in the Medicaid Program only for the Provision of Inpatient Psychiatric Hospital Services in Accordance with OAC 5101:3-2-01(B)
1. For private psychiatric hospitals or public psychiatric hospitals as illustrated in Attachment A, **ODHS** will transfer to **ODMH** the FFP for inpatient services, and for Medicare crossover Part A- Inpatient and Part B- Ancillary claims.
  2. For private psychiatric hospitals, **ODMH** will be responsible for making 100% payment for inpatient services, and for Medicare crossover Part A- Inpatient and Medicare Part B- Ancillary claims.
  3. For public psychiatric hospitals, **ODMH** will retain the FFP transfer and certify availability of matching funds for Medicare crossover Part A- Inpatient and Part B- Ancillary claims.
- B. Fiscally Related Applicable to Physician Services Covered in Accordance with OAC 5101:3-4 Provided to Medicaid Recipients Receiving Inpatient Psychiatric Hospital Services in Accordance with OAC 5101:3-2.
1. For public psychiatric hospitals **ODHS** will transfer to **ODMH** the FFP for physician services and for Medicare Part B- physician crossover claims, and **ODMH** will retain the FFP and certify availability of matching funds. When the "pay to" address for the physician services is a psychiatric hospital, **ODHS** will only be responsible for transferring the FFP to **ODMH**.
  2. For private psychiatric hospitals **ODHS** will be responsible for making 100% payment for physician services and for Medicare crossover Part B- physician claims, except when the "pay to" address for the physician claims is a psychiatric hospital. Should the "pay to" address for the physician claim be a psychiatric hospital, **ODMH** will be responsible for making the 100% payment.

VI.

UTILIZATION AND QUALITY CONTROL PROGRAM FOR  
INPATIENT PSYCHIATRIC HOSPITAL SERVICES

In accordance with 42 CFR§ 456.3, **ODHS** is responsible for implementing a statewide surveillance and utilization

TN No. 97-024 APPROVAL DATE 10-31-97

SUPERCEDES TN No. 96-25 EFFECTIVE DATE 7-1-97

## INTERAGENCY AGREEMENT, OHIO DEPARTMENT MENTAL HEALTH

control program that safeguards against unnecessary or inappropriate use of Medicaid services and excess payments, assesses the quality and provides for the control of the utilization of those services. Pursuant to the provisions in this agreement and in compliance with the federal regulation cited above, ODHS delegates responsibility for implementing, managing, and paying for a statewide utilization control program for inpatient psychiatric services for the period July 1, 1997 through June 30, 1999 to ODMH.

**A. ODHS Responsibilities**

1. ODHS will share Medicaid information, including claims data, with ODMH and/or its agent for the purpose of evaluating the treatment patterns of inpatient psychiatric hospital patients. Information shared concerning Medicaid recipient will include reports detailed in the current ODHS contract with the utilization review contractor.
2. Provider appeals for preadmission certification and postpayment review.
3. Administer the state hearing process for recipients who wish to contest a preadmission certification determination. Recipients have a right to a state hearing in accordance with OAC 5101:6-1 through 5101:6-9.

**B. ODMH Responsibilities**

1. State hearings

At the request of ODHS, ODMH's (or its contractual designee's) physician reviewers and other staff will provide assistance by telephone or in writing for hearing and prehearing activities. ODMH will make all reasonable attempts to provide ODHS staff with the information necessary to conduct a hearing and provide for the appropriate presentation of the information which resulted in the denial of services or payment. In addition, ODMH physician reviewers or other staff will be available by telephone or in person when considered appropriate by ODHS.

2. Retrospective (postpayment) review of inpatient psychiatric hospital services. Reviews may include services rendered in general hospital psychiatric units and psychiatric hospitals.
3. Provider Appeals

ODMH, or its contractual designee, will provide ODHS assistance by telephone or in writing for all provider appeals.

4. Sharing of Information

As part of its utilization review activities, ODMH will share Medicaid information with ODHS for the purpose of evaluating the treatment patterns of inpatient psychiatric hospital patients. Information shared concerning Medicaid recipients will include reports detailed in an ODMH contract with a utilization review contractor.

**VII.  
COMPENSATION**

**A.** ODHS agrees to reimburse ODMH, upon proper invoicing and preparation of an Intra-State Transfer Voucher, the current rate of FFP for services provided in accordance with Chapter 5101:3-2 of the Ohio Administrative Code. Total amount of reimbursement shall not exceed \$9,000,000 for FY 98 AND \$9,000,000 for FY 99. Such reimbursement shall occur after receipt of FFP from HCFA by ODHS.

**B.** ODHS agrees to reimburse ODMH, upon proper invoicing and preparation of an Intra-State Transfer voucher, the appropriate rate of FFP for administrative expenses. Total amount of reimbursement shall not exceed \$1,400,000 for FY 98 and \$1,400,000 for FY 99. Such reimbursement shall occur after receipt of FFP from

TN No. 97-024 APPROVAL DATE 10-31-97  
SUPERCEDES TN No. 96-25 EFFECTIVE DATE 7-1-97

HCFA by ODHS.

- C. Payments for any and all services provided pursuant to this agreement are contingent upon the availability of state funds under the Medicaid program. If the Ohio General Assembly, the federal government, or any other source at any time disapproves or ceases to continue funding **ODHS** or **ODMH** for payments due hereunder, this agreement is terminated as of the date funding expires.
- D. All obligations in this agreement are further subject to approval by the Health Care Financing Administration; if **ODHS** receives notice that the agreement is not approved, this agreement is terminated.

### VIII. GENERAL PROVISIONS

#### A. Effective Dates

This agreement will become effective on July 1, 1997 and will remain in effect until June 30, 1999, subject to the cancellation provisions contained in this agreement.

#### B. Termination by Notice

1. This agreement may be terminated by either party upon 30 days written notice of termination to the other party. Notice of termination shall be sent or otherwise delivered to the following persons: if **ODMH** is terminating the agreement, to Director, Ohio Department of Human Services, 30 East Broad Street, 32nd Floor, Columbus, Ohio 43266-0423; or, if **ODHS** intends to terminate the agreement, to Director, Ohio Department of Mental Health, 30 East Broad Street, 11th Floor, Columbus, Ohio 432660414.
2. This agreement may be terminated immediately in the event there is a loss of funding, disapproval by a federal administrative agency, or upon discovery of non-compliance with any federal or state laws, rules or regulations. In the event termination is pursuant to this paragraph B.2., a notice specifying the reasons for termination shall be sent as soon as possible after the termination in accordance with the procedures set forth in Article VIII., paragraph B.1.

#### C. Breach and Default

Upon breach or default of any of the provisions, obligations, or duties embodied in this agreement, the parties may exercise any administrative contractual, equitable, or legal remedies available, without limitation. The waiver or any occurrence of breach or default is not waiver of such subsequent occurrences, and the parties retain the right to exercise all remedies mentioned herein.

#### D. Amendments

This agreement may be modified or amended provided that any such modification or amendment is in writing and is signed by the directors of the agencies. It is agreed, however, that any amendments to laws, rules, or regulations cited herein will result in the correlative modification of this agreement, without the necessity for executing written amendment.

#### E. Equal Employment Opportunity

In carrying out this Agreement, the **ODMH** shall not discriminate against any employee or applicant for employment because of race, religion, national origin, ancestry, color, sex, sexual orientation, age, disability, or Vietnam-era veteran status. The **ODMH** shall ensure that applicants are hired, and that employees are treated during employment without regard to their race, religion, national origin, ancestry, color, sex, sexual orientation, age, disability, or Vietnam-era veteran status. Such action shall include, but not be limited to the following: Employment, Upgrading, Demotion, or Transfer; Recruitment or Recruitment Advertising; Layoff or Termination; Rates of Pay or other forms of Compensation; and Selection for Training including Apprenticeship.

TN No. 97-024 APPROVAL DATE 10-31-97

TN No. 96-25 EFFECTIVE DATE 7-1-97

The ODMH agrees to post in conspicuous places, available to employees and applicants for employment, notices stating that the ODMH complies with all applicable federal and state non-discrimination laws. The ODMH shall, in all solicitations or advertisements for employees placed by or on behalf of the ODMH, state that all qualified applicants shall receive consideration for employment without regard to race, religion, color, sex, national origin, ancestry, sexual orientation, Vietnam-era veteran status, disability or age. The ODMH shall incorporate the foregoing requirements of this paragraph in all of its Contracts for any of the work prescribed herein, and shall require all of its subcontractors for any part of such work to incorporate such requirements in all subcontracts for such work.

**F. Confidentiality of Information**

The parties agree that they shall not use any information, systems, or records made available to either party for any purpose other than to fulfill the obligations specified herein. The parties agree to be bound by the same standards of confidentiality that apply to the employees of either party and the State of Ohio. The terms of this section shall be included in any subcontracts executed by either party for work under this agreement. ODMH specifically agrees to comply with state and federal confidentiality laws and regulations applicable to the programs under which this agreement is funded which include, but are not limited to, 42 CFR 431.300 through 42 CFR 431.306. ODMH is responsible for obtaining copies of all ODHS rules governing confidentiality and for assuring compliance with the rules by employees and contractors of ODMH.

**G. Compliance with Federal and State Laws, Rules and Regulations**

ODMH agrees to comply with all federal and state laws, rules, regulations, and auditing standards which are applicable to the performance of this agreement.

**H. Partial Invalidity**

A judicial or administrative finding, order, or decision that any part of this agreement is illegal or invalid shall not invalidate the remainder of the agreement.

**I. Records Retention**

All records relating to costs, work performed and supporting documentation for invoices submitted to ODHS by ODMH along with copies of all deliverables submitted to ODHS pursuant to this agreement shall be retained and made available by ODMH for audit by the State of Ohio (including, but not limited to ODHS, the Auditor of State of Ohio, Inspector General or duly authorized law enforcement officials) and agencies of the United States government for a minimum of three years after final payment under this agreement. If an audit is initiated during this time period, ODMH shall retain such records until the audit is concluded and all issues resolved.

**J. Audit Exceptions**

1. ODHS shall be responsible for receiving, replying to, and arranging compliance with any audit exception found by any state or federal audit of this Agreement as it pertains to federal or ODHS funding of the Agreement. ODHS shall timely notify ODMH of any adverse findings which allegedly are the fault of ODMH. Upon receipt of notification by ODHS, ODMH shall fully cooperate with ODHS and timely prepare and send to ODHS its written response to the audit exception.
2. ODMH shall be liable for any audit exception that results from its acts or omissions in the performance of this agreement. ODHS shall be liable for any audit exception that results from its acts or omissions in the performance of this agreement. In the event of a dispute concerning the allocation of financial liability for audit exceptions, the parties agree that the dispute shall be referred to the Office of the Governor for a final, binding determination which allocates financial liability.
3. For the purpose of this section, the term "audit exception" shall include federal disallowances and

TN No. 97-024 APPROVAL DATE 10-31-97  
 SUPERCEDES TN No. 96-25 EFFECTIVE DATE 7-1-97

## INTERAGENCY AGREEMENT, OHIO DEPARTMENT MENTAL HEALTH

PAGE 8 OF 9

deferrals.

**K. Liability Requirements (other than audit)**

To the extent allowable by law, agency agrees to hold the other agency harmless from liability, suits, losses, judgments, damages or other demands brought as a result of its actions or omissions in performance of this agreement. However, in the event that an agency is subject to liability, suits, losses, judgments, damages or other demands which are due to the acts or omissions of the other agency, the other agency will not be held harmless.

**L. Resolution of Disputes**

The agencies agree that the directors of the agencies shall resolve any disputes between the agencies concerning responsibilities under or performance of any of the terms of this agreement. In the event the directors cannot agree to an appropriate resolution to the disputes they shall be referred to the Office of the Governor for a final, binding determination resolving the dispute.

**M. Child Support Enforcement**

ODMH agrees to cooperate with ODHS and any Ohio Child Support Enforcement Agency (CSEA) in ensuring employees of ODMH meet child support obligations established under state law. Further, by executing this agreement, ODMH certifies present and future compliance with any court order for the withholding of support which is issued pursuant to sections 3113.21 to 3113.217 of the Ohio Revised Code.

**N. Drug-Free Workplace**

By executing this agreement, ODMH certifies and affirms that, as applicable to the ODMH, any subcontractor and/or independent contractor, including all field staff associated with the project agree to comply with all applicable state and federal laws regarding a drug-free workplace. The ODMH shall make a good faith effort to ensure that all ODMH employees, while working on State, county or private property, will not purchase, transfer, use or possess illegal drugs or alcohol or abuse prescription drugs in any way.

**O. Public Assistance Work Program Participants**

By executing this agreement, ODH agrees to cooperate with ODHS and each County Department of Human Services in providing employment and other work opportunities for recipients of assistance under Chapter 5107 of the Revised Code and recipients of food stamps who are required by law to obtain employment or participate in a work program activity.

**P. Entirety of Agreement**

All terms and conditions of this agreement are embodied herein. No other terms and conditions will be considered a part of this agreement unless expressly agreed upon in writing and signed by both parties.

TN No. 97-024 APPROVAL DATE 10-31-97

TN No. 96-25 EFFECTIVE DATE 7-1-97

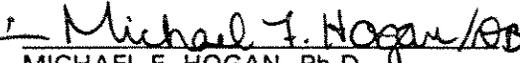
SUPERCEDES

## INTERAGENCY AGREEMENT, OHIO DEPARTMENT MENTAL HEALTH

APPROVED BY:

  
\_\_\_\_\_  
ARNOLD R. TOMPKINS  
Director  
Ohio Department of Human Services  
30 East Broad Street, 32nd Floor  
Columbus, Ohio 43266-0423

DATE: 7/3/97

  
\_\_\_\_\_  
MICHAEL F. HOGAN, Ph.D.  
Director  
Ohio Department of Mental Health  
30 East Broad Street, 11th Floor  
Columbus, Ohio 43266-0414

DATE: 7/1/97

TN No. 97-024 APPROVAL DATE 10-31-97  
SUPERCEDES TN No. 96-25 EFFECTIVE DATE 7-1-97