



# Medicaid Information Technology System

**State & Local Government Solutions**

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**Medicaid Information Technology System (MITS)**

## **Cost Reports and Settlements Participant Guide**

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## Course Overview

### Overview

The goal of this course is to show you how to create the Upper Payment Limits (UPL) notification assessment letters in the Ohio Medicaid Information Technology System (MITS).

### Objectives

After completing this course you should be able to:

- Generate the UPL 1st Half Notification Letter
- Generate the UPL 2nd Half Notification Letter

### Agenda

Topic	Time (Minutes)
Welcome and Introductions	5
Introduction to UPL	10
Generating the UPL 1st Half Letter	10
Practice: Generating the UPL 1st Half Letter	15
Generating the UPL 2nd Half Letter	10
Practice: Generating the UPL 2nd Half Letter	15
Review	5

### Prerequisites

Before taking this course, you must complete the following courses:

- Introduction to MITS
- General Financial Overview
- Reports & Letters (Online GUI Reports)

# Introduction to UPL

## Overview

The Medicare **Upper Payment Limit** (UPL) is used by Ohio Health Plans (OHP) to make semi-annual payments to qualifying hospitals. The payments are for the difference between what Medicare would pay for the inpatient hospital services received by Medicaid patients in the relevant reporting period. The UPL is used to calculate the difference between what the department paid and what Medicare would have paid the public hospitals for Medicaid consumers.

UPL background:

- Federal law gives states considerable flexibility regarding payments to health care providers, but it stipulates that, in general, Medicaid payments can be no higher than the amount that Medicare would pay for the same service.
- Through a manual process, OHP staff obtains interim cost settlement reports for qualified hospitals' paid discharges, paid cost outliers, and paid days, for two reporting periods.
- OHP uses manual processes to calculate inpatient hospital gaps and UPL payment amounts for each hospital.
- The UPL program is available to qualifying hospitals.
- Analysts use Ohio MITS to generate the UPL notification letters that are sent to the participating public hospitals to provide notification of the supplemental UPL calculations.
- There are approximately 200 UPL participating hospitals.

## UPL Notification Letters

You determine when to generate UPL letters based upon your standard business processes. Because UPL letters do not run automatically, they are known as "on-demand" letters. MITS creates two types of on-demand letters: Standard and Live Edit.

UPL Notification letters are Live Edit Letters: You provide some of the key information using editable fields in the letter. Most of this information comes from sources outside of MITS.

During the UPL assessment periods, there are two live edit letters that you need to send to participating hospital providers. You generate and send the following letters at the appropriate points in the manual UPL process:

Letter Name	Type	Letter Number	Period/ Typical Timing	Description
UPL 1st Half Notification letter	Live Edit	FIN-3200-O	UPL 1st Half Period: Approximately February	This is the first letter of the year notifying participating providers of the amounts associated with the calculations for the supplemental inpatient Upper Payment Limit (UPL).
UPL 2nd Half Notification letter	Live Edit	FIN-3210-O	UPL 2nd Half Period: Approximately August	This is the second letter of the year notifying participating providers of the amounts associated with the calculations for the supplemental inpatient Upper Payment Limit (UPL).

## Check Your Understanding

This activity contains questions to assess your understanding of key concepts in this topic. Review the topic if your score is below your standards.

You perform the calculations for UPL letters using a manual process, outside of MITS.

- A. True
- B. False

The Upper Payment Limit (UPL) is available to qualifying hospitals.

- A. True
- B. False

Only those hospitals that are considered to be a public hospital would receive UPL letters. Those hospitals which are private would merely receive a payment, without the UPL letter.

- A. True
- B. False

## Summary

In this topic you learned about:

- The Upper Payment Limit program
- The two UPL notification letters:
  - UPL 1st Half Notification Letter
  - UPL 2nd Half Notification Letter

# Generating the UPL 1st Half Letter

## Overview

### What

In this topic you learn how to generate the UPL 1st Half Notification Letter.

There are two UPL notification letters:

- FIN-3200-O: UPL 1st Half Notification Letter: This is the first letter of the year notifying participating providers of the amounts associated with the calculations for the supplemental inpatient Upper Payment Limit (UPL).
- FIN-3210-O: UPL 2nd Half Notification Letter: This is the second letter of the year notifying participating providers of the amounts associated with the calculations for the supplemental inpatient Upper Payment Limit (UPL).

### Who

Ohio Department of Job and Family Services (ODJFS) staff

### When

You perform this task yearly, as part of the UPL notification letters process.

Typically, the UPL 1st Half Notification Letter is typically sent in approximately February. The UPL 2nd Half Notification Letter is typically sent in approximately August.

### Relevance

You perform this task to notify participating providers of their gap and the payment to expect.

### UPL 1st Half Notification Letter

- This letter informs the hospital of its gap and the payment to expect for the UPL first half assessment.
- This letter is sent first in the process. This letter informs the hospital of its UPL amount and gives the hospital a chance to review the information and respond to discrepancies.
- Failure to complete this task correctly could delay the UPL cycle and monetary collection from the hospital.

## Requirements

You must have the following information to achieve the successful completion of this task:

- Cost reports or other related spreadsheets for calculations or amounts
- Completion of manual analysis and calculations
- Provider ID
- Date that provider notification of participation is due
- UPL 1st Half Begin Date for first half assessment
- UPL 1st Half End Date for first half assessment
- UPL 1st Half Payment Due Date
- UPL 1st Half UPL Assessment Amount
- Per discharge supplemental inpatient hospital payment amount - for UPL 1st Half
- Number of actual Medicaid discharges paid for this period - for UPL 1st Half
- Maximum available supplemental payment amount - for UPL 1st Half

## Guidelines

The UPL process is a manual process with the exception of the two UPL notification letters.

The two UPL letters are created in MITS; however, all calculations in preparation for those letters are performed by OHP Staff manually in spreadsheets. You will use the spreadsheets when completing the live-edit letters.

## How To

Follow these steps from any MITS page to generate the UPL 1st Half Notification Letter:

Step	Action
1	Click <b>Financial</b> .
2	Click <b>rpts&amp;ltrs</b> in the Financial submenu.
3	Click <b>Letters</b> on the <b>Reports and Letters</b> panel.
4	Click <b>UPL 1st Half Notification Letter</b> .
5	Complete the <b>Provider ID</b> field, and then press the <b>Tab</b> key on your keyboard to initiate the provider validation function. If you provided a valid provider ID, the payee's name appears on the panel. <b>Note:</b> If you do not know the provider's identification number, then click the <b>Search</b> link to search for it.
6	Click <b>Search</b> .
7	Click <b>Open</b> on the <b>File Download</b> dialog box.
8	For each of the live-edit fields, provide the correct value. A brief description of the required information appears in a tool tip when you move your mouse pointer over the field.
9	Click the <b>Other Actions</b> icon, and select <b>Local Print</b> from the pop-up menu.
10	Click <b>OK</b> on the Live Edit dialog box that displays the success message. <b>Note:</b> When the <b>LiveEditor</b> dialog box opens and displays the location (URL) where your letter is stored, you can write down this address if you want.
11	Click <b>OK</b> .
12	When the Adobe Acrobat Viewer opens your letter in PDF mode, complete the following steps: a. Review the letter for the correct provider name and address. b. Review the letter to ensure that each live-edit field is complete and contains the accurate values.
13	Save and print the letter according to the guidelines provided by your standard business process.

Here is an example of the UPL letter steps.

The screenshot shows the Ohio.gov Medicaid Information Technology System interface. The top navigation bar includes links for Home, Claims, Drug, EDI, Health, Financial (highlighted with a red circle 1), Managed Care, MAR, Prior Authorization, Provider, Recipient, Reference, RetroDUR, and Tools Site. Below this is a secondary navigation bar with links for home, a/r, banner, bed count, cash, cpao, cost settlement, cpao selection, encumbrance, exp, hospital cost settlement, pay, payment hold, related d, rpts&ltrs (highlighted with a red circle 2), \$ cycle, sch maint, and 1099. The main content area is titled 'Reports and Letters' and contains a list of reports: Compliance Master Letter, HCAP Late Letter, UPL 2nd Half Notification Letter, Fine Refund Letter, HCAP Pre-Assessment Letter (highlighted with a red circle 4), HCAP Final Assessment Letter, and UPL 1st Half Notification Letter (highlighted with a red circle 4). A sidebar on the left has a 'Reports Letters' link highlighted with a red circle 3. The date 'September 9, 2010' is displayed in the top right corner.

## Success

You have successfully completed this task when you have:

- Completed the manual entry of the required live-edit data fields in the UPL 1st Half Notification Letter
- Generated and printed the UPL 1st Half Notification Letter

## Next Steps

Follow local work procedures to mail the letter to the provider.

## Practice

Generate the UPL 1st Half Notification Letter using this information:

- **Provider ID** = See learner list below
- For all live edit fields, complete them with values of your choice.
- Choose the **UPL 1st Half Notification Letter**
- Please do not print the letter

Learner No	Provider ID
1	8863474674
2	8166429682
3	8146292686
4	8540265106
5	8005841014
6	8510960375
7	8803811409
8	8772504926
9	8489752851
10	8005890234
11	8792759976
12	8015927259

# Generating the UPL 2nd Half Letter

## Overview

### What

In this topic you learn how to generate the UPL 2nd Half Notification Letter.

There are two UPL notification letters:

- FIN-3200-O: UPL 1st Half Notification Letter: This is the first letter of the year notifying participating providers of the amounts associated with the calculations for the supplemental inpatient Upper Payment Limit (UPL).
- FIN-3210-O: UPL 2nd Half Notification Letter: This is the second letter of the year notifying participating providers of the amounts associated with the calculations for the supplemental inpatient Upper Payment Limit (UPL).

### Who

Ohio Department of Job and Family Services (ODJFS) staff

### When

You perform this task yearly, as part of the UPL notification letters process.

Typically, the UPL 1st Half Notification Letter is typically sent in approximately February. The UPL 2nd Half Notification Letter is typically sent in approximately August.

### Relevance

You perform this task to notify participating providers of their gap and the payment to expect for the second half of the year's UPL program.

### UPL 2nd Half Notification Letter

- This letter informs the hospital of its gap and the payment to expect for the amount to be paid for the UPL second half assessment.
- This letter is sent second in the process.
- Failure to complete this task correctly could delay the UPL cycle and monetary collection from the hospital.

## Requirements

You must have the following information to achieve the successful completion of this task:

- Cost reports or other related spreadsheets needed for calculations or amounts
- Completion of manual analysis and calculations
- Provider ID
- Date that provider notification of participation is due
- UPL 1st Half Begin Date for first half assessment
- UPL 1st Half End Date for first half assessment
- UPL 1st Half payment Due Date
- UPL 1st Half assessment amount
- UPL 2nd Half Begin Date for second half assessment
- UPL 2nd Half End Date for second half assessment
- UPL 2nd Half payment Due Date
- Final UPL 2nd Half assessment amount
- UPL payment date to hospitals Expenditure Payment Date
- Per discharge supplemental inpatient hospital payment amount - for UPL 2nd Half
- Number of actual Medicaid discharges paid for this period - for UPL 2nd Half
- Maximum available supplemental payment amount - for UPL 2nd Half

## Guidelines

The UPL process is a manual process with the exception of the two UPL notification letters.

The two UPL letters are created in MITS; however, all calculations in preparation for those letters are performed by OHP Staff manually in spreadsheets. You will use the spreadsheets when completing the live edit letters.

## How To

Follow these steps from any MITS page to generate the UPL 2nd Half Notification letter:

Step	Action
1	Click <b>Financial</b> .
2	Click <b>rpts&amp;ltrs</b> in the Financial submenu.
3	Click <b>Letters</b> on the <b>Reports and Letters</b> panel.
4	Click <b>UPL 2nd Half Notification Letter</b> .
5	Complete the <b>Provider ID</b> field, and then press the <b>Tab</b> key on your keyboard to initiate the provider validation function. If you provided a valid provider ID, the payee's name appears on the panel. <b>Note:</b> If you do not know the provider's identification number, then click the <b>Search</b> link to search for it.
6	Click <b>Search</b> .
7	Click <b>Open</b> on the <b>File Download</b> dialog box.
8	For each of the live-edit fields, provide the correct value. A brief description of the required information appears in a tool tip when you move your mouse pointer over the field.
9	Click the <b>Other Actions</b> icon, and select <b>Local Print</b> from the pop-up menu.
10	Click <b>OK</b> on the Live Edit dialog box that displays the success message. <b>Note:</b> When the <b>LiveEditor</b> dialog box opens and displays the location (URL) where your letter is stored, you can write down this address if you want.
11	Click <b>OK</b> .
12	When the Adobe Acrobat Viewer opens your letter in PDF mode, complete the following steps: a. Review the letter for the correct provider name and address. b. Review the letter to ensure that each live-edit field is complete and contains the accurate values.
13	Save and print the letter according to the guidelines provided by your standard business process.

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## Success

You have successfully completed this task when you have:

- Completed the manual entry of the required live-edit data fields in the UPL 2nd Half Notification Letter
- Generated and printed the UPL 2nd Half Notification Letter

## Next Steps

Follow local work procedures to mail the letter to the provider.

## Practice

Generate the UPL 2nd Half Notification Letter using this information:

- **Provider ID** = See learner list below
- For all live edit fields, complete them with values of your choice.
- Choose the **UPL 2nd Half Notification Letter**
- Please do not print the letter

Learner No	Provider ID
1	8863474674
2	8166429682
3	8146292686
4	8540265106
5	8005841014
6	8510960375
7	8803811409
8	8772504926
9	8489752851
10	8005890234
11	8792759976
12	8015927259

## Review

### Objectives

In this course you learned how to:

- Generate the UPL 1st Half Notification Letter
- Generate the UPL 2nd Half Notification Letter