

ODJFS Response to Comments provided at the 2002 Hospital Care Assurance Program (HCAP) Forums

The following is the Ohio Department of Job and Family Services' (ODJFS) response to the comments presented at the Federal Fiscal Year (FFY) 2002 Hospital Care Assurance Program (HCAP) forums held in Toledo on March 11, Cleveland on March 12, Cincinnati on March 13, and Columbus on March 21, 2002. ODJFS held these forums prior to proposing the HCAP distribution rule so that the comments could be included in the rule that will be proposed in April.

The following is a summary of comments received by forum attendees, and ODJFS' responses.

1. Comments regarding the Disproportionate Share Limit Pool

Comment: The Disproportionate Share Limit pool should be eliminated from the HCAP model. It is rewarding hospitals that are providing minimal uncompensated care with HCAP funds.

Comment: The Disproportionate Share Limit pool should be maintained at its current level. Hospital support is crucial to the survival of HCAP.

Response: The Disproportionate Share Limit pool provides a distribution of HCAP funds for uncompensated care reported by hospitals that have not received their maximum allowable amount of HCAP funds through other distribution pools. This pool is consistent with Federal requirements for distributing disproportionate share funds, and takes into consideration the state-wide impact of the HCAP program and access to hospital services.

2. Comments regarding the public input process for HCAP

Comment: One commentor acknowledged the cooperation and understanding that ODJFS has demonstrated during collaborations on HCAP over the past two years.

Comment: Two commentors thanked ODJFS for giving individuals and groups across the state the opportunity to give input into the HCAP formula through regional forums before it has been drafted.

Comment: One commentor asked that ODJFS convene a group to examine and explore the best use of DSH funds to maximize the reimbursement of uncompensated care.

Comment: One commentor asked that ODJFS hold the HCAP public forums in the fall of 2002 for the 2003 HCAP program due to a likely significant decrease in federal DSH funds next year.

Response: Beginning with the 2001 HCAP program, ODJFS expanded its effort to gather public input

on HCAP by holding the HCAP public forums. Based on positive responses received by the department, this effort was continued this year by holding the 2002 HCAP forums. In addition to the public input the department collects at the forums, ODJFS also takes input throughout the year through a variety of mechanisms. Public input is gained through the formal rule making process (e.g., clearance, public hearings), by meeting with interested parties, and through telephone conversations and other correspondence. The department feels that these public input venues are sufficient for allowing all interested parties the opportunity to have their comments heard, while balancing commitments to non-HCAP hospital projects. Due to time constraints that face the HCAP program each spring, ODJFS would like to explore the option of holding the public forums in the fall. While there would be some limitations, for example, current uncompensated care data would not yet be available; holding the forums in the fall would allow the department more time to consider public comments before formally proposing the HCAP rules.

3. Comments regarding the use of 2001 HCAP policy in the 2002 HCAP program

Comment: Two commentors supported changes made to last year's distribution model including the provisions for Medicaid managed care shortfalls, changes made to address closed hospitals, and the creation of the critical access and rural hospital pool.

Comment: One commentor supported the extension of as much policy from the HCAP 2001 program to the HCAP 2002 program as possible.

Comment: One commentor suggested new money for the 2001 HCAP program should be allocated to where the data indicates it is needed most.

Response: Due to the favorable response received regarding the changes to the 2001 HCAP model, ODJFS intends to propose an HCAP formula for 2002 that is very consistent with the 2001 HCAP formula. ODJFS will take into consideration significant shifts in reported data on uncompensated care and Medicaid consumers before making its final proposal. In addition to positive feedback, by limiting changes in the 2002 HCAP policy to those resulting from changes in data, the department is also able to stabilize the program and its impact on hospital providers.

4. Question regarding Centers for Medicare and Medicaid Services (CMS) requirements for submission of State Plan Amendments.

Question: How is the CMS requirement for submission of the state plan amendment for HCAP different from prior years?

Response: In the past, ODJFS was able to file state plan amendments (documents states must send to CMS describing their policies) and draw down federal funds during the CMS review period for the state plan amendment. Recently, in a *Dear State Medicaid Director* letter, CMS clarified that it will no longer allow federal funds to be drawn by a state prior to approval of the state plan amendment. This means that

ODJFS must file the state plan amendment three months earlier than before (plus additional time added to account for potential questions from CMS) in order to allow CMS time to review and approve the amendment prior to making HCAP payments. A copy of the letter explaining this CMS requirement can be viewed at the following web site: <http://www.hcfa.gov/medicaid/letters/smd01021.htm>.