



Department of Medicaid

John R. Kasich, Governor
Barbara R. Sears, Director

Hospital Handbook Transmittal Letter (HHTL) No. 3352-18-10

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**TO: All Hospital Providers
Directors, County Departments of Job and Family Services**

FROM: Barbara R. Sears, Director

SUBJECT: Payment Policies – Hospital Care Assurance Program

Summary

This Hospital Handbook Transmittal Letter (HHTL) provides information pertaining to payment and data policies for disproportionate share and indigent care rules for general hospitals.

Rule 5160-2-09 entitled Payment policies for disproportionate share hospitals and indigent care adjustments for hospital services, sets forth the distribution formula and payment policies for disproportionate share hospitals (DSH) for each program year. This rule was amended to revise the definition of a rural hospital, to update a cost report reference within the rule, to amend the term Rural Access Hospital (RH), to update paragraph references within the rule, to remove references relating to the Disability Assistance Medical program, to remove reference to transplant services, and to remove references to prior payment pool allocations.

The amendment changes the definition of a rural hospital to establish a more specific definition of a hospital's qualification to receive payment from the rural payment pool. This change defines a hospital as being rural if the hospital is geographically located in an Ohio county that is not classified into a Core Based Statistical Area (CBSA) as designated in the inpatient prospective payment system (IPPS) case-mix and wage index table as published by the Centers for Medicare and Medicaid Services (CMS). This change is necessary to preserve funds from the rural payment pool for smaller, rural hospitals that serve underserved populations, as compared to larger urban hospitals.

Additional changes to the rule included: (1) replacing the term "Rural Access Hospital" ("RAH") with "Rural Hospital" ("RH") since the definition of a rural hospital is being amended, (2) updating the reference to line number 202 from 201 on Schedule I of the cost report, (3) updating the Ohio Administrative Code rule reference from 5160-2-07.2 to 5160-2-05 as it relates to the definition of a children's hospital due to the change in the rule number, (4) removing paragraph definitions and references relating to the Disability Assistance Medical program which no longer exists, (5) removing the references to the percentages of HCAP funds that were distributed from the Medicaid indigent care pool and uncompensated care pool for the 2016 program year since they are no longer relevant, (6) removing the references to transplant services since those services are reimbursed by DRG and are no longer separately cost settled through the cost report, and (7) updating paragraph references

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within the rule due to the removal of the definition of the Disability Assistance Medical program. This rule is effective November 11, 2018.

Access to Rules and Related Material

Information about the services and programs of the Ohio Department of Medicaid (ODM) may be accessed through the main ODM webpage: <http://www.medicaid.ohio.gov>. Information about hospital payment policies is available on the 'Fee Schedule and Rates' web page, which may be accessed through the main ODM web page (Providers > Fee Schedule and Rates).

Additional Information

Questions pertaining to this letter should be addressed to:

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or

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