



**Department of Medicaid**

**John R. Kasich**, Governor

**Barbara R. Sears**, Director

**Hospital Handbook Transmittal Letter (HHTL) 3352-17-07**

Published on June 28, 2017

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

**FROM: Barbara R. Sears, Director**

**SUBJECT: Medical Education**

**Summary**

This Hospital Handbook Transmittal Letter (HHTL) provides information pertaining to medical education add-on payments.

Rule 5160-2-07.7, entitled Medical education, has been rescinded. This rule defined the conditions in which hospitals may qualify for a medical education add-on payment and provides the calculation of hospital-specific medical education add-on payments. The provisions of this rule were incorporated into a new Ohio Administrative Code (OAC) rule 5160-2-67. This rule was rescinded July 6, 2017.

Rule 5160-2-67, entitled Medical education, has been adopted and replaces OAC rule 5160-2-07.7. This rule sets forth the conditions in which a hospital subject to prospective payment can qualify for a medical education add-on payment. This rule has been adopted to fulfill recommendations from the Graduate Medical Education Study Committee that the department rebase medical education add-on rates. In addition, these medical education payments result from recommendations by the department and the General Assembly to build appropriations established in Am. Sub. H.B. 64 of the 131st General Assembly. To qualify for a medical education add-on rate, Ohio hospitals must have an approved medical education program as defined in 42 CFR 415.152 and the costs of the approved medical program were reflected in their state fiscal year 2014 Ohio Medicaid hospital cost report (ODM 02930 rev. 6/2014). A hospital's medical education add-on rate is the sum of its case-mix adjusted direct graduate medical education costs and case-mix adjusted indirect graduate medical education costs. Medical education rates shall be subject to a payment neutrality adjustment of 59.7%. Hospitals that currently qualify for a medical education add-on payment shall be subject to a zero percent stop-loss provision and ten percent stop-gain provision, which mitigates large swings in payment. For hospitals that qualify for medical education payments, the medical education add-on rate is added to its payment for inpatient hospital services for dates of discharge on or after the effective date of this rule. Lastly, this rule sets forth methodology to recognize graduate medical education programs that are approved outside of rebasing years. Hospitals with newly approved graduate medical education programs will qualify for graduate medical education add-on payments, which are based on statewide average direct graduate medical education and indirect graduate medical education

payments. This rule is effective July 6, 2017.

### **Access to Rules and Related Material**

Stakeholders who want to receive notification when ODM original or final files a rule package may visit JCARR's RuleWatch at [www.rulewatchohio.gov](http://www.rulewatchohio.gov) where an account can be created to be notified of rule actions by rule number or department.

Stakeholders can subscribe to receive notification when a clearance or BIA is posted for public comment on the Ohio Business Gateway here:

<http://business.ohio.gov/reform/enotify/subscription.aspx>

The main web page of the ODM includes links to valuable information about its services and programs; the address is <http://medicaid.ohio.gov/>.

### **Additional Information**

Questions pertaining to this letter should be addressed to:

hospital\_policy@medicaid.ohio.gov

or

Ohio Department of Medicaid  
Bureau of Health Plan Policy  
Hospital Services  
P.O. Box 182709  
Columbus, OH 43218-2709  
Telephone (800) 686-1516