



**Hospital Handbook Transmittal Letter (HHTL) 3352-21-04**

**Published on 7/2/2021**

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

**FROM: Maureen Corcoran, Director**

**SUBJECT: Hospital Cost Coverage Add-on**

**Summary**

This Hospital Handbook Transmittal Letter (HHTL) provides information pertaining to the cost coverage add-on rule, Ohio Administrative Code (OAC) rule 5160-2-60, which has been adopted. This rule will be effective July 4, 2021.

This rule sets forth the methodology the Department provides to hospitals for the cost coverage add-on which ensures adequate access for Medicaid recipients to inpatient and outpatient hospital services. This cost coverage add-on, which is case-mix adjusted, is added to a hospital's base rates for each inpatient discharge or outpatient service on or after the effective date of the rule for those hospitals paid under the "All Patient Refined-Diagnosis Related Group" (APR-DRG) inpatient prospective payment system and the "Enhanced Ambulatory Patient Grouping" (EAPG) outpatient prospective payment system. For those hospitals excluded from the prospective payment systems, the cost coverage add-on is a percentage increase to their prospective inpatient and outpatient cost-to-charge ratios for discharges or services on or after the effective date of the rule. The methodology in this rule does not apply to the Medicaid maximum allowed amount calculation described in OAC 5160-2-25.

This rule was amended to include the addition of paragraph (J) that added language from the October 30, 2020 emergency rule, to allow the Department to make short term adjustments, either increases or decreases, to hospital-specific CCA rates with the approval of the Medicaid Director. The goal of these adjustments is to maintain budget neutrality and ensure that hospital payments are aligned with the proposed projections. Additionally, the proposed rule added the definition of Outpatient Hospital Behavioral Health (OPHBH) visits and clarified that OPHBH visits are not included in the calculations of the outpatient CCA rates. Only outpatient visits derived from the EAPG payment methodology are included.

**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:

<https://www.apps.das.ohio.gov/RegReform/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/>.

To access ODM Fee Schedule and Rates, go to [medicaid.ohio.gov](http://medicaid.ohio.gov) > Providers > Fee Schedule and Rates > Click "I Agree":

### **Additional Information**

Questions pertaining to this letter should be addressed to:

[hospital\\_policy@medicaid.ohio.gov](mailto: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