

**METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES
INPATIENT HOSPITAL SERVICES****X. SUPPLEMENTAL PAYMENTS FOR HOSPITALS PARTICIPATING IN THE
SUPPLEMENTAL HOSPITAL OFFSET PAYMENT PROGRAM (SHOPP) (continued)****c. Non-DRG hospitals**

The UPL for Non-DRG reimbursed hospitals are calculated using inpatient hospital specific cost to charge ratios. To determine the ratios, inpatient hospital costs and charges are extracted from the most recently available Medicare hospital cost report form 2552 ~~Worksheet C~~. This cost to charge ratio is multiplied by allowable charges for Medicaid inpatient hospital claims to determine the cost of these services. Costs for these services are trended to the mid-point of the applicable year using the CMS published Inpatient Hospital PPS Market Basket Update for each year.

d. Upper Payment Limit Gaps

Payments calculated in paragraphs a, b and c shall be summed across the three classes of hospitals: privately owned, non-state government owned, and state government owned. These sums will equal the upper payment limits for each class of hospital. Total Medicaid payments for each class of hospital will be subtracted from its respective upper payment limit to determine the upper payment limit gaps.

2. Disbursement of payments to hospitals:

- a. All hospitals shall be eligible for inpatient hospital access payments each year as set forth in this subsection except the following:
- i. A hospital that is owned or operated by the state or a state agency, the federal governments, a federally recognized Indian tribe, or the Indian Health Service;
 - ii. a hospital that provides more than fifty percent (50%) of its inpatient days under a contract with a state agency other than the OHCA;
 - iii. a hospital that specializes in any one of the following: (i) treatment of a neurological injury (ii) treatment of cancer, (iii) treatment of cardiovascular disease, (iv) obstetrical or childbirth services, (v) surgical care, except that this exemption shall not apply to any hospital located in a city of less than five hundred thousand (500,000) population and for which the majority of inpatient days are for back, neck, or spine surgery; and
 - iv. a hospital that is certified by the federal Centers for Medicaid and Medicare Services as a long-term acute care hospital or as a children's hospital;

Revised ~~01.01.17~~ 01.01.19

TN# _____ Approval Date _____ Effective Date _____

Supersedes TN # _____