PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICES

METHODS AND STANDARDS FOR ESTABLISHING RATES IN PATIENT HOSPITAL CAREMETHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES - OTHER TYPES OF CARE OR SERVICE LISTED IN SECTION 1905(a) OF THE ACT THAT ARE INCLUDED IN THE PROGRAM UNDER THE PLAN ARE DESCRIBED AS FOLLOWS:

Supplemental Payments for Low Income and Needy Care Collaboration Hospitals (Small Rural Hospitals)

- A. Effective for dates of service on or after October 20, 2011, quarterly supplemental payments will be issued to qualifying non-state hospitals for **outpatient surgery services** rendered during the quarter. Maximum aggregate payments to all qualifying hospitals in this group shall not exceed the available upper payment limit per state fiscal year.
 - 1. Qualifying Criteria. In order to qualify for the supplemental payment, the non-state hospital must be affiliated with a state or local governmental entity through a Low Income and Needy Care Collaboration Agreement as of October 31, 2011.
 - a. A non-state hospital is defined as a hospital which is owned or operated by a private entity.
 - b. A Low Income and Needy Care Collaboration Agreement is defined as an agreement between a hospital and a state or local governmental entity to collaborate for purposes of providing healthcare services to low income and needy patients.
 - 2. Payment Methodology. Each qualifying hospital shall receive quarterly supplemental payments for the outpatient services rendered during the quarter. Payments shall be distributed quarterly based on Medicaid paid claims for service dates from the previous state fiscal year not to exceed the maximum allowable cap. Payment to a hospital shall be proportional to the hospital's percentage of paid claims relative to the total paid claims for all eligible hospitals.

Payments to hospitals participating in the Medicaid Disproportionate Share Hospital (DSH) Program shall be limited to the difference between the hospital's specific DSH limit and the hospital's DSH payments for the applicable payment period.

Aggregate outpatient hospital service supplemental payments to all qualifying small rural hospitals (includes outpatient surgery services, hospital clinic services, rehabilitation services, and services other than clinical diagnostic laboratory services, outpatient surgeries, rehabilitation services, and outpatient facility fees) shall not exceed the maximum allowable cap of \$4,500,000 for each state fiscal year.

TN 23-0033					
Supersedes					
TN 11-35					

PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICES

METHODS AND STANDARDS FOR ESTABLISHING RATES IN PATIENT HOSPITAL CAREMETHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES - OTHER TYPES OF CARE OR SERVICE LISTED IN SECTION 1905(a) OF THE ACT THAT ARE INCLUDED IN THE PROGRAM UNDER THE PLAN ARE DESCRIBED AS FOLLOWS:

Effective for dates of service on or after July 1, 2023, quarterly supplemental payments will be issued to qualifying small rural hospitals for outpatient hospital surgery services rendered during the quarter. Maximum aggregate payments to all qualifying hospitals in this group shall not exceed the available upper payment limit per state fiscal year.

In order to qualify, as of September 30, 2022, the small rural hospital must:

- a. Be publicly (non-state) owned and operated;
- b. Be located in Department of Health administrative region 3; and
- c. Provide routine and emergency inpatient and outpatient obstetrical services with separately identified nursery department statistics reported on the cost report.
- B. Effective for dates of service on or after October 20, 201 1, quarterly supplemental payments will be issued to qualifying non-state hospitals for **outpatient hospital clinic services** rendered during the quarter. Maximum aggregate payments to all qualifying hospitals in this group shall not exceed the available upper payment limit per state fiscal year
 - 1. Qualifying Criteria. In order to qualify for the supplemental payment, the non-state hospital must be affiliated with a state or local governmental entity through a Low Income and Needy Care Collaboration Agreement as of October 31, 2011.
 - a. A non-state hospital is defined as a hospital which is owned or operated by a private entity.
 - b. A Low Income and Needy Care Collaboration Agreement is defined as an agreement between a hospital and a state or local governmental entity to collaborate for purposes of providing healthcare services to low income and needy patients.
 - 2. Payment Methodology. Each qualifying hospital shall receive quarterly supplemental payments for the outpatient services rendered during the quarter. Payments shall be distributed quarterly based on Medicaid paid claims for service dates from the previous state fiscal year not to exceed the maximum allowable cap. Payment to a hospital shall be proportional to the hospital's percentage of paid claims relative to the total paid claims for all eligible hospitals.

Payments to hospitals participating in the Medicaid Disproportionate Share Hospital Program shall be limited to the difference between the hospital's specific DSH limit and the hospital's DSH payments for the applicable payment period.

TN <u>23-0033</u>	Approval Date	Effective Date July 1, 2023
Supersedes		
TN 11-35		

PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICES

METHODS AND STANDARDS FOR ESTABLISHING RATES IN PATIENT HOSPITAL CAREMETHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES - OTHER TYPES OF CARE OR SERVICE LISTED IN SECTION 1905(a) OF THE ACT THAT ARE INCLUDED IN THE PROGRAM UNDER THE PLAN ARE DESCRIBED AS FOLLOWS:

Aggregate outpatient hospital service supplemental payments to all qualifying small rural hospitals (includes outpatient surgery services, hospital clinic services, rehabilitation services, and services other than clinical diagnostic laboratory services, outpatient surgeries, rehabilitation services, and outpatient facility fees) shall not exceed the maximum allowable cap of \$4,500,000 -for each state fiscal year.

Effective for dates of service on or after July 1, 2023, quarterly supplemental payments will be issued to qualifying small rural hospitals for outpatient hospital clinic services rendered during the quarter. Maximum aggregate payments to all qualifying hospitals in this group shall not exceed the available upper payment limit per state fiscal year.

In order to qualify, as of September 30, 2022, the small rural hospital must:

- a. Be publicly (non-state) owned and operated;
- b. Be located in Department of Health administrative region 3; and
- c. Provide routine and emergency inpatient and outpatient obstetrical services with separately identified nursery department statistics reported on the cost report.
- C. Effective for dates of service on or after October 20, 2011, quarterly supplemental payments will be issued to qualifying ng non-state hospitals for **outpatient rehabilitation** services rendered during the quarter. Maxim um aggregate payments to all qualifying hospitals in this group shall not exceed the available upper payment limit per state fiscal year.
 - 1. Qualifying Criteria. In order to qualify for the supplemental payment, the non-state hospital must be affiliated with a state or local governmental entity through a Low Income and Needy Care Collaboration Agreement as of October 31, 2011.
 - a. A non-state hospital is defined as a hospital which is owned or operated by a private entity.
 - b. A Low Income and Needy Care Collaboration Agreement is defined as an agreement between a hospital and a state or local governmental entity to collaborate for purposes of providing healthcare services to low income and needy patients.
 - 2. Payment Methodology. Each qualifying hospital shall receive quarterly supplemental payments for the outpatient services rendered during the quarter.

TN	23-0033			
Supersedes				
TN	11-35			

PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICES

ETHODS AND STANDARDS FOR ESTABLISHING RATES IN PATIENT HOSPITAL CAREMETHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES - OTHER TYPES OF CARE OR SERVICE LISTED IN SECTION 1905(a) OF THE ACT THAT ARE INCLUDED IN THE PROGRAM UNDER THE PLAN ARE DESCRIBED AS FOLLOWS:

Payments shall be distributed quarterly based on Medicaid paid claims for services dates from the previous state fiscal year not to exceed the maximum allowable cap. Payment to a hospital shall be proportional its percentage of paid claims relative to the total paid claims for all eligible hospitals.

Payments to hospitals participating in the Medicaid Disproportionate Share Hospital Program shall be limited to the difference between the hospital's specific DSH limit and the hospital's DSH payments for the applicable payment period.

Aggregate outpatient hospital service supplemental payments to all qualifying small rural hospitals (includes outpatient surgery services, hospital clinic services, rehabilitation services, and services other than clinical diagnostic laboratory services, outpatient surgeries, rehabilitation services, and outpatient facility fees) shall not exceed the maximum allowable cap of \$4,500,000 for each state fiscal year.

Effective for dates of service on or after July 1, 2023, quarterly supplemental payments will be issued to qualifying small rural hospitals for outpatient hospital rehabilitation services rendered during the quarter. Maximum aggregate payments to all qualifying hospitals in this group shall not exceed the available upper payment limit per state fiscal year.

In order to qualify, as of September 30, 2022, the small rural hospital must:

- a. Be publicly (non-state) owned and operated;
- b. Be located in Department of Health administrative region 3; and
- c. Provide routine and emergency inpatient and outpatient obstetrical services with separately identified nursery department statistics reported on the cost report.
- E—D. Effective for dates of service on or after October 20, 2011, quarterly supplemental payments will be issued to qualifying non-state hospitals for services other than clinical diagnostic laboratory services, outpatient surgeries, rehabilitation services, and outpatient facility fees during the quarter. Maximum aggregate payments to all qualifying hospitals in this group shall not exceed the available upper payment limit per state fiscal year.
 - 1. Qualifying Criteria. In order to qualify for the supplemental payment, the non-state hospital must be affiliated with a state or local governmental entity through a Low Income and Needy Care Collaboration Agreement as of October 31, 2011.

TN <u>23-0033</u>	Approval Date	Effective Date July 1, 2023
Supersedes		
TN 11-35		

PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICES

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES - OTHER TYPES OF CARE OR SERVICE LISTED IN SECTION 1905(a) OF THE ACT THAT ARE INCLUDED IN THE PROGRAM UNDER THE PLAN ARE DESCRIBED AS FOLLOWS:

- a. A non-state hospital is defined as a hospital which is owned or operated by a private entity.
- b. A Low Income and Needy Care Collaboration Agreement is defined as an agreement between a hospital and a state or local governmental entity to collaborate for purposes of providing healthcare services to low income and needy patients.
- 2. Payment Methodology. Each qualifying hospital shall receive quarterly supplemental. Payments for the outpatient services rendered during the quarter. Payments shall be distributed quarterly based on Medicaid paid claims for service dates from the previous state fiscal year not to exceed the maximum al allowable cap Payment to a hospital shall be proportional its percentage of paid claims relative to the total paid claims for all eligible hospitals.

Payment to hospitals participating in the Medicaid Disproportionate Share Hospital Program shall be limited to the difference between the hospital's specific DSH limit and the hospital's DSH payments for the applicable payment period.

Aggregate outpatient hospital service supplemental payments to all qualifying small rural hospitals (includes outpatient surgery services, hospital clinic services, rehabilitation services, and services other than clinical diagnostic laboratory services, outpatient surgeries, rehabilitation services, and outpatient facility fees) shall not exceed the maximum allowable cap of \$4,500,000 for each fiscal year.

Effective for dates of service on or after July 1, 2023, quarterly supplemental payments will be issued to qualifying small rural hospitals for outpatient hospital services other than clinical diagnostic laboratory, outpatient surgeries, rehabilitation, and outpatient facility fees clinic services rendered during the quarter. Maximum aggregate payments to all qualifying hospitals in this group shall not exceed the available upper payment limit per state fiscal year.

In order to qualify, as of September 30, 2022, the small rural hospital must:

- a. Be publicly (non-state) owned and operated;
- b. Be located in Department of Health administrative region 3; and
- c. Provide routine and emergency inpatient and outpatient obstetrical services with separately identified nursery department statistics reported on the cost report.

TN <u>23-0033</u>	Approval Date	Effective Date July 1, 2023
Supersedes		
TN New Page		