

**STATE OF RHODE ISLAND
EXECUTIVE OFFICE OF HEALTH AND HUMAN SERVICES**

**06/30/2022 PUBLIC NOTICE OF PROPOSED AMENDMENT TO RHODE ISLAND MEDICAID
STATE PLAN**

In accordance Rhode Island General Laws 42-35, notice is hereby given that the Executive Office of Health and Human Services (EOHHS) proposes to make the following amendment to the Rhode Island State Plan under Title XIX of the Social Security Act:

Inpatient UPL Increase

In accordance with Rhode Island General Law 40-8-13.4(b)(2), EOHHS is seeking approval from the Centers for Medicare and Medicaid Services (CMS) to update Rhode Island's Medicaid State Plan to incorporate a five percent (5%) rate increase for inpatient hospital services into the State's upper payment limit demonstration modeling used to determine the inpatient upper payment limit payments to eligible hospitals.

This change is proposed to take effect on July 1, 2022. The projected fiscal impact for SFY23 is a savings of \$1,838,008 All Funds.

This proposed amendment is accessible on the EOHHS website (www.eohhs.ri.gov) or available in hard copy upon request (401-462-1501 or RI Relay, dial 711). Interested persons should submit data, views, or written comments by July 30, 2022 to Katy Thomas, Executive Office of Health and Human Services, 3 West Rd, Cranston, RI, 02920, or Kathryn.thomas@ohhs.ri.gov or via phone at (401) 462-2598.

In accordance with the Rhode Island General Laws 42-35-3, an oral hearing will be granted on the proposed State Plan Amendment if requested by twenty-five (25) persons, an agency, or by an association having at least twenty-five (25) members. A request for an oral hearing must be made within ten (10) days of this notice.

The Executive Office of Health and Human Services does not discriminate against individuals based on race, color, national origin, sex, gender identity or expression, sexual orientation, religious belief, political belief, or handicap in acceptance for or provision of services or employment in its programs or activities.

Original signed by Ana Novais, Acting Secretary, Rhode Island Executive Office of Health and Human Services
Signed this 30th day of June, 2022

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

STATE: Rhode Island

F. Calculate total amount of inpatient costs (D * E)

The State shall use a Medicare cost report for the hospital's fiscal year beginning in the federal fiscal year two years prior to the state demonstration year. For example, a SFY 23 demonstration submitted in June 2023 (end of SFY23, within FFY 23) would use a Medicare cost report for the hospital fiscal year beginning in FFY 21 (10/1/2020 and 1/1/2021 reporting start dates, both in FFY 21)

~~Because~~ RI's UPL calculations rely on Medicare and Medicaid data from prior periods. Rhode Island trends data for a Medicaid Inflation Factor and a UPL inflation Factor. The Medicaid Inflation Factor shall be the change in the "actual regulation market basket" as reflected in the CMS Inpatient Hospital Prospective Payment System Market Basket Update without productivity adjustment for federal fiscal year 2021 (SFY 22) multiplied by a 5.0% hospital rate increase enacted by the Rhode Island General Assembly for SFY 23. Effective July 1, 2023, the Medicaid Inflation factor will be 5% multiplied by the "actual regulation market basket" as reflected in the CMS Inpatient Hospital Prospective Payment System Market Basket Update without productivity adjustment for federal fiscal year 2023.

The UPL Inflation Factor is the product of the ~~RI trends the base data to the current demonstration rate year using the~~ change in the "actual regulation market basket" as reflected in the CMS Inpatient Hospital Prospective Payment System Market Basket Update without productivity adjustment for federal fiscal years corresponding to each hospital's Medicare Cost Report (Report) end date. For example, a SFY ~~223~~ demonstration due 6/30/202~~23~~ uses hospital data from Report end dates of 9/30/202~~01~~ (FFY 202~~10~~) and 12/31/20201 (FFY 202~~12~~). Therefore, the inflationary adjustments are the FFY ~~210~~ and FFY ~~224~~ CMS Inpatient Hospital PPS Market Basket Updates without productivity adjustment. The amounts of these two inflationary adjustments are multiplied together to determine the total UPL inflationary adjustment factor to use in RI's UPL demonstration.

An amount not to exceed the aggregate UPL gap is distributed quarterly (by the 20th of July, October, January and April) among all eligible hospitals based on the percentage relationship of each hospital's Medicaid payments to total Medicaid payments for all the private hospitals. No hospital will be paid more for inpatient hospital services under Medicaid than the provider's customary charges to the general public for the services. Eligible hospitals are actual facilities and buildings in existence in Rhode Island that are licensed by the Rhode Island Department of Health to provide short-term acute inpatient care to persons who require definitive diagnosis and treatment for injury, illness, disabilities, or pregnancy

TN#21-00XX
Supersedes
TN: 21-0021

Approved: _____

Effective: July 1, 2022