



Responses to Public Comments: Outpatient Hospital Annual Review and Inflationary Increases

Public Comment Period September 22, 2021 – October 22, 2021

Category	Nature of the Comments	EOHHS' Response
Productivity Adjustment	<ol style="list-style-type: none"> 1. The current language of RIGL 40-8-13.4(b)(2) does not utilize an inflationary rate of the CMS Prospective Payment System hospital input price index less productivity. EOHHS cannot use this method without a statutory change. 2. The current language of RIGL 40-8-13.4(b)(2) specifies an inflationary rate an inflationary rate of the CMS Prospective Payment System hospital input price index less productivity for managed care, the law does not require the same reduction for the Fee for Service (FFS) inflationary rates 	<p>EOHHS agrees based upon clarification from the Caseload Estimating Conferees; EOHHS will remove the “less productivity” from the proposed state plan amendment. A revised proposed amendment will be posted for public comment.</p> <p>The proposed amendment still clarifies the Rhode Island Medicaid State Plan the current methodology used to apply the annual DRG Base Rate inflationary increases for inpatient hospitals. Specifically, the clarification provides that EOHHS uses the CMS Prospective Payment System (IPPS) Hospital Input Price index and the annual review process.</p>
Hospital Financing	<ol style="list-style-type: none"> 3. The proposed amendment would impact DSH and supplemental payments without budgetary approval the General Assembly. 4. Any adjustment to the calculation of the Medicaid FFS inflationary index should be a part of a larger policy discussion on the financial sustainability of hospitals in Rhode Island with the legislative and executive branches 	<p>It is a federal requirement that coverage limitations, provider qualifications, and payment methodologies for Medicaid covered services be detailed in the Medicaid State Plan. While EOHHS agrees that based upon clarification from the Caseload Estimating Conferees, that the “less productivity” should be removed from the proposed state plan amendment. EOHHS however maintains that the current annual inflationary rate adjustment methodology should be updated in the State Plan and be approved by the Centers for Medicare and Medicaid Services (CMS).</p>
COVID-19 Pandemic	<ol style="list-style-type: none"> 5. The healthcare industry is more vital than ever to the economy and health of Rhode Island. As the state recovers from the COVID-10 pandemic. 	<p>EOHHS agrees that the healthcare industry is vital to the economy and health of Rhode Island and will continue to partner with the healthcare industry to ensure the sustainability and quality of the Medicaid program. EOHHS as the Rhode Island State Medicaid Agency is always working to maintain compliance with both state statutory requirements and federal law/regulations.</p>