



**ALABAMA MEDICAID AGENCY**

**NOTICE OF INTENDED ACTION**

**RULE NO. & TITLE:** 560-X-23-.04 – Inpatient Hospital Access Payments

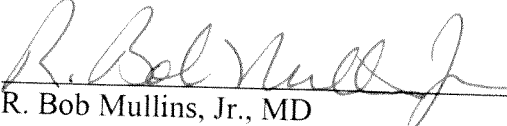
**INTENDED ACTION:** Amend 560-X-23-.04

**SUBSTANCE OF PROPOSED ACTION:** The above-referenced rule is being amended to clarify payment methodology as defined in the State Plan Attachments 4.19-B and 3.1-A. The payment methodology for outpatient hospital will change from an encounter payment methodology to a fee for service payment methodology.

**TIME, PLACE, MANNER OF PRESENTING VIEWS:** Written or oral comments may be submitted to the Alabama Medicaid Agency, 501 Dexter Avenue, Post Office Box 5624, Montgomery, Alabama 36103-5624, 334-242-5833. Agency business hours are 8:00 a.m. to 5:00 p.m. Monday through Friday.

**FINAL DATE FOR COMMENT AND COMPLETION OF NOTICE:**  
Written/Oral comments concerning this change must be received by the Alabama Medicaid Agency no later than December 5, 2011.

**CONTACT PERSON AT AGENCY:** Stephanie McGee Azar,  
Administrative Secretary, Alabama Medicaid Agency, 501 Dexter Avenue,  
Post Office Box 5624, Montgomery, Alabama 36103-5624.

  
R. Bob Mullins, Jr., MD

Commissioner

Rule No. 560-X-23-.04 Inpatient Hospital Access Payments

(1) For the period October 1, 2009~~11~~, through September 30, 2011~~3~~, the amount available for inpatient hospital access payments shall be calculated as follows:

(a) The state shall annually identify the total Medicaid inpatient hospital payments for privately operated hospitals for state fiscal year 2007 from all sources except DSH payments.

(b) The state shall estimate the amount that would have been paid for the services identified in step (1) using Medicare principles consistent with the upper payment limit (UPL) requirements set forth in 42 CFR 447.272.

(c) The state shall subtract step (a) from step (b) to determine the aggregate inpatient hospital access payment amount.

(2) For the period October 1, 2009~~11~~, through September 30, 2011~~3~~, in addition to any other funds paid to hospitals for inpatient hospital services to Medicaid patients, each eligible private hospital, excluding free-standing psychiatric hospitals, shall receive inpatient hospital access payments each state fiscal year. Inpatient hospital access payments shall include the following:

(a) An inpatient hospital access payments equal to ~~121~~ percent of the difference between the hospital's allowable costs of providing Medicaid inpatient hospital services for state fiscal year 2007~~9~~, trended forward, and base payments for the current fiscal year. ~~The access payment will be made contingent upon the assessment tax required by Ala. Code (1975) §40-26B-70, et seq. being collected.~~

(b) A payment for private hospitals that do not qualify for disproportionate share payments, calculated as follows:

(1) For hospitals with uninsured uncompensated care costs greater than \$800,000 in state fiscal year 2007, a payment equal to \$400 per Medicaid inpatient day.

(2) For hospitals with uninsured uncompensated care costs less than \$800,000 in state fiscal year 2007, a payment equal to \$100 per Medicaid inpatient day.

(c) These additional inpatient hospital access payments shall be made on a quarterly basis.

(d) When combined with base payments, inpatient hospital access payments shall not exceed the annual applicable hospital annual inpatient upper payment limit.

**Author:** Keith Boswell, Director, Provider Audit/Reimbursement.

**Statutory Authority:** State Plan, Title XIX, Social Security Act, 42 C.F.R. Section 401, et seq.

**History:** Effective June 9, 1986. **Amended:** Emergency Rule filed and effective September 2, 1010. **Amended:** Filed September 20, 2010; effective December 17, 2010. **Amended:** Emergency Rule filed and effective October 1, 2011. Filed September 23, 2011. **Amended:** Filed October 20, 2011; effective January 16, 2012.