

CORRECTION

STATE OF RHODE ISLAND DEPARTMENT OF HUMAN SERVICES

PUBLIC NOTICE OF PROPOSED CATEGORY II CHANGE TO THE RHODE ISLAND MEDICAID GLOBAL CONSUMER CHOICE WAIVER

In accordance Rhode Island General Laws (RIGL) 42-35 and 42 CFR 447.205, notice is hereby given that the Department of Human Services proposes to amend the following payment methodology:

MEDICAL ASSISTANCE PROGRAM (MA)

Effective April 1, 2010, the Department of Human Services will change the fee-for-service payment method for inpatient hospital services received by Medicaid beneficiaries. The change will not affect payment by the Medicaid managed care plans or payment by the Department on inpatient stays where Medicare is the primary payer.

The current payment method is that each hospital is paid at a percentage of charges, subject to a year-end settlement process. Under the new payment method, payment will be by All Patient Refined Diagnosis Related Group (APR-DRG), with no year-end settlement process. Based on diagnoses, procedures and other clinical information, each stay will be assigned to a single APR-DRG. For exceptionally costly stays, hospitals may also receive a cost outlier payment (for physical health stays) or a day outlier payment (for mental health stays).

Two specific types of care will be paid on a per diem basis rather than per stay. One type comprises sub-acute care provided to patients with mental disorders by an acute care hospital. The other type comprises stays for pediatric patients with dual diagnoses of mental disorders and intellectual disability. All admissions for inpatient care will require prior authorization by the Department, except for deliveries and normal newborn (nursery) stays.

The Department is making this change to implement a payment method that is sustainable, increases fairness, reduces administrative burden, rewards economy, and improves transparency. A Fiscal Note is available upon request. In the development of the new payment methodology, consideration was given to the following: (1) alternative approaches; and (2) overlap or duplication with other statutory and regulatory provisions. No alternative approach or duplication or overlap was identified based upon available information. (Complies with 42-35-3(3).) The health, safety, and welfare of the public preclude any economic impact that may be incurred as a result of these regulations.

In accordance with the Rhode Island General Laws 42-35-3, an oral hearing will be granted on the proposed Category II Change if requested by twenty-five (25) persons, or an agency, or by an association having at least twenty-five (25) members. A request for an oral hearing must be made within thirty (30) days of this notice.

The Department of Human Services does not discriminate on the basis of race, color, national origin or handicap in acceptance for or provision of services or employment in its programs or activities gender identity or expression, sexual orientation, religious belief, political belief or disability.

Gary D. Alexander, Director

Note: Under the terms and conditions of the Global Consumer Choice Waiver a Category II Change is a change that could be made as a State Plan Amendment or through authority in sections 1915(b), 1915(c), 1915(i) or 1915(j) of Title XIX without any change in the terms and conditions of the Global Waiver or demonstration authority under Section 1115 of Title XIX.