

REIMBURSEMENT FOR CRITICAL ACCESS HOSPITALS

Subject to the availability of state funds, beginning May 1, 2002, supplemental payments will be made to non-I.H.S. in-state hospitals, certified by Medicare as Critical Access Hospitals (CAHs) under 42 CFR 485, Subpart F and 42CFR 440.170(g). These supplemental CAH payments shall be made in addition to the other payments described in Attachment 4.19-A (inpatient hospital) and 4.19-B (outpatient hospital). Supplemental payments shall be made based on each CAH designated hospital's percentage of total inpatient and outpatient Title XIX reimbursement paid relative to other CAH designated hospitals for the time period from July 1 through June 30 of each year.

AHCCCS will allocate the amount available through legislative appropriation in the following manner:

- (1) Gather all adjudicated claims/encounters with dates of service from July 1 through June 30 of the prior year for each CAH-designated hospital.
- (2) Sum the AHCCCS payments for inpatient and outpatient services for the year to establish a hospital-specific hospital paid amount.
- (3) Total all AHCCCS payments for inpatient and outpatient services for the year to establish a total paid amount.
- (4) Divide the hospital paid amount by the total paid amount to establish the hospital's utilization percentage.
- (5) Divide the hospital's utilization percentage by the sum of all CAH hospital's utilization percentages for the month and multiply that figure by the monthly sum of the CAH hospital months divided by the annual sum of the CAH hospital months to establish the monthly relative utilization.
- (6) Multiply the monthly relative utilization by the annual CAH dollars to establish each hospital's monthly payment.

Funding will be distributed based on the number of CAH-designated hospitals in each month and their Medicaid utilization. Because there may be a different number of CAH-designated hospitals each month, the hospital-specific weightings and payments may fluctuate from month to month. The calculations will be computed monthly and the distribution of the CAH dollars to the CAH-designated hospitals will be made twice a year.