

Bulletin Number: MSA 13-50

Distribution: Hospitals

Issued: December 23, 2013

Subject: Rural Access Pool

Effective: February 1, 2014

Programs Affected: Medicaid

The Michigan Department of Community Health (MDCH) will continue its Rural Access Pool (RAP) in Fiscal Year (FY) 2014 and each subsequent FY for hospitals that provide Medicaid services to low-income rural residents.

The eligibility criteria will remain the same as in the establishment of the FY 2013 RAP. To be eligible for this pool, hospitals must be categorized by Centers for Medicare and Medicaid Services (CMS) as a sole community hospital, or meet both of the following criteria:

1. A hospital must have 50 or fewer staffed beds. MDCH will calculate staffed beds by dividing the total hospital days reported by the hospital on its Medicaid cost report with a FY ending between October 1, 2010 and September 30, 2011, by the number of days covered in the cost report; and
2. A hospital must be located in a county with a population of not more than 165,000 and within a city, village, or township with a population of not more than 12,000. The population threshold will be measured against population counts from the 2000 federal decennial census.

Each hospital's allocation from this pool will be calculated as the unreimbursed cost the hospital incurred providing inpatient and outpatient services to Michigan Medicaid beneficiaries during its cost period that ended during the second previous FY. For example, to calculate the FY 2014 pool, hospital cost reports with FYs ending between 10/1/2011 and 9/30/2012 will be used. The following gross Medicaid payments from this cost report period will be applied against cost to determine unreimbursed cost: operating, capital, graduate medical education, executive order reductions, and Medicaid Access to Care Initiative (MACI). Payments from this pool will be issued quarterly in four equal installments based on the total amount the hospital is eligible to receive. Hospital specific payment amounts will be posted on the MDCH website when they are available.

In the aggregate, MDCH reimburses hospitals up to the maximum allowable under the Federal upper payment limits for inpatient and outpatient services provided to Medicaid beneficiaries. To keep total Medicaid Fee-For-Service payments to hospitals within the federal upper payment limits, MDCH will reduce the size of the corresponding FY MACI pool each year by the amount of the RAP.

Payments made from the RAP will be applied against hospitals' inpatient and outpatient settlement limits. Funds paid in excess of these limits will be recovered during settlement and the federal share returned to the federal government.

Manual Maintenance

Retain this bulletin until the information has been incorporated into the Michigan Medicaid Provider Manual.

Questions

Any questions regarding this bulletin should be directed to Provider Inquiry, Department of Community Health, P.O. Box 30731, Lansing, Michigan 48909-8231, or e-mail at ProviderSupport@michigan.gov. When you submit an e-mail be sure to include your name, affiliation, and phone number so you may be contacted if necessary. Providers may phone toll-free 1-800-292-2550.

Approved



Stephen Fitton, Director
Medical Services Administration`