



ADMINISTRATIVE RULES OF MONTANA

37.86.2928 INPATIENT HOSPITAL REIMBURSEMENT, HOSPITAL REIMBURSEMENT ADJUSTOR

- (1) The inpatient hospital reimbursement adjustor (HRA) payment is payable to a PPS hospital or critical access hospital, as those terms are defined in 50-5-101, MCA, that provides inpatient hospital services. Eligibility for an HRA payment will be determined based on a hospital's year-end reimbursement status.
- (2) Revenue generated from the inpatient hospital utilization fee plus applicable federal financial participation (FFP) is utilized to calculate the following supplemental payments:
 - (a) the continuity of care payment described in ARM 37.87.1224;
 - (b) Part 1 of the HRA; and
 - (c) Part 2 of the HRA.
- (3) Part 1 of the HRA payment is payable to all hospitals, including critical access hospitals, as those terms are defined in 50-5-101, MCA. The payment will be based upon Medicaid inpatient utilization, and will be computed as follows: $HRA1 = (M \div D) \times P$.
 - (a) For the purposes of calculating Part 1 of the HRA, the following apply:
 - (i) "HRA1" represents the calculated Part 1 HRA payment.
 - (ii) "M" equals the number of Medicaid inpatient days provided by the hospital for which the payment amount is being calculated.
 - (iii) "D" equals the total number of Medicaid inpatient days provided by all hospitals eligible to receive an HRA payment.
 - (iv) "P" equals the total amount to be paid via Part 1 of the HRA. "P" consists of a state-paid amount plus the applicable federal financial participation (FFP). The portion of "P" that is paid by the state will equal the amount of revenue generated by Montana's inpatient hospital utilization fee, less all the following:
 - (A) 4% of the total revenue generated by the inpatient hospital utilization fee, which will be expended as match for continuity of care adjustor payments, as provided in ARM 37.87.1224; and
 - (B) 8% of the total revenue generated by the inpatient hospital utilization fee, which will be expended as match for Part 2 of the HRA, as provided in (4).
- (4) Part 2 of the HRA payment is limited to critical access hospitals to maintain access and quality in the most rural areas in Montana. Part 2 will be based upon total hospital Medicaid charges, and will be computed as follows: $HRA2 = (I \div D) \times P$.

- (a) For the purposes of calculating Part 2 of the HRA, the following apply:
 - (i) "HRA2" represents the calculated Part 2 HRA payment.
 - (ii) "I" equals the total hospital charges from Medicaid paid claims for which Montana Medicaid was the primary payer for the hospital for which the payment is being calculated.
 - (iii) "D" equals the total hospital charges from Medicaid paid claims for which Montana Medicaid was the primary payer for all hospitals eligible to receive Part 2 of the HRA payment.
 - (iv) "P" equals the total amount to be paid via Part 2 of the HRA. "P" will be 8% of the total revenue generated by Montana's inpatient hospital utilization fee plus applicable FFP.
- (5) The numbers used in (3) through (4) must be from the department's paid claims data for the most recent calendar year.

Authorizing statute(s): 2-4-201, 53-2-201, 53-6-113, MCA

Implementing statute(s): 2-4-201, 53-2-201, 53-6-101, 53-6-111, 53-6-113, 53-6-149, MCA

History: NEW, 2004 MAR p. 650, Eff. 2/27/04; AMD, 2006 MAR p. 768, Eff. 3/24/06; AMD, 2010 MAR p. 1534, Eff. 7/1/10; AMD, 2013 MAR p. 686, Eff. 4/26/13; AMD, 2013 MAR p. 2310, Eff. 1/1/14; AMD, 2016 MAR p. 2429, Eff. 1/1/17; AMD, 2018 MAR p. 1041, Eff. 5/26/18; AMD, 2019 MAR p. 2382, Eff. 1/1/20.