



Numbered Advisory Memorandum

Date Issued: May 5, 2011

Number: 5-FY11-1

Subject: Allocations
 Certification
 Licensure
 Medicaid
 Policy and/or Procedure
 Other Critical Information

To: ADAMHS/CMH Boards

Originator(s):
Dalon K. Myricks, Assistant Deputy Director,
Administrative Services Division

Approval(s):
Donald C. Anderson, Deputy Director,
Administrative Services Division

Contact(s):
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Required Action: No Yes, by this date

All ODMH policy memoranda are posted on the ODMH Web site at mentalhealth.ohio.gov/partner-resources

Title: FY 2012 ODMH Hospital Inpatient Utilization Planning Process

The appropriation line item 334412, Hospital Services will be used for Regional Psychiatric Hospitals' personnel services, maintenance, and equipment. The allocation is not intended to subsidize community services or local management and contracting of community services such as Community Support Network (CSN). However, potential funds received through the reconciliation process, can be used to meet local management needs.

The Department of Mental Health will allocate an amount to each local Alcohol, Drug Addiction and Community Mental Health Services Board (ADAMHS/CMH) based on the process outlined below. The FY 2012 ODMH state hospital bed per diem is processed to be approximately \$525.

As discussed in previous ODMH-Board meetings, ODMH will accept two estimates of bed days for preliminary planning. ADAMHS Boards should budget for hospital bed day planning, using two scenarios; the appropriation levels as proposed by the Governor in the introduced version of HB 153, and a possible increase of \$15 million in the 505 subsidy allocation once the budget is enacted, ODMH will use the bed day estimate matching the actual appropriation.

In FY 2012 we will apply a risk corridor for inpatient use following the Adjustment Methodology for Variance (AMV) as referenced and attached to this memo (see Attachment A). Individual board hospital allocations will be retained at ODMH. Using the AMV, ODMH Fiscal Administration will calculate a reconciliation amount (refund or pay-back) at the mid-year and end-of-year.

The following process and timeline will be applied to the FY 2012 Selection of Inpatient Utilization at ODMH hospitals:

Establishing mental health as a cornerstone of overall health

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ADM 041
Rev 7/1/2010

- May 13: Boards submit the Selection of Inpatient Utilization Form (Attachment B) to ODMH, Fiscal Administration, Dalon Myricks.
- May 13 – May 27: ODMH reviews each board submission and compares it with hospital utilization trend data. In instances where a board's selection of planned days varies from the utilization data, Fiscal Administration and Hospital Services will schedule a conference call with the board for additional information to explain the differences, with the mutual goal of projecting the most accurate estimate. Any modifications will be done through a collaborative process. Any instances of unresolved bed day estimates will be appealed to the Director for final decision.
- June 30: Boards will receive notification from ODMH that their FY 2012 Selection Form has been approved.
- July 1 – December 31: ODMH will monitor and review each board's bed day utilization on a monthly basis. After the first 6 months of the fiscal year, Fiscal Administration at ODMH will perform a mid-year reconciliation. This will be based on the statewide per diem for all boards and apply the six-month AMV.
- 1st Quarter - FY 2013: The end of year reconciliation will occur in the first quarter of FY 2013.

If you have any questions, please contact Dalon K. Myricks at 614-644-8219. Fiscal Administration is available to provide technical assistance upon request.

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Date: _____

Board: _____

Estimate 1: Please estimate your planned state inpatient bed days, assuming the the GRF non-medicaid allocation of 505 funds remains at the current proposed level for FY 12

<u>Hospital</u>	<u>Days</u>	Comments: _____ _____ _____ _____ _____ _____ _____
_____	_____	
_____	_____	
_____	_____	
_____	_____	
_____	_____	
_____	_____	
_____	_____	
_____	_____	
Total Days	<input type="text"/>	

Estimate 2: Please estimate your planned state hospital bed days, assuming the GRF non-medicaid allocation of 505 funds increases by approximately \$ 15 million, matching last year's level

<u>Hospital</u>	<u>Days</u>	Comments: _____ _____ _____ _____ _____ _____ _____
_____	_____	
_____	_____	
_____	_____	
_____	_____	
_____	_____	
_____	_____	
_____	_____	
_____	_____	
Total Days	<input type="text"/>	

Note: Last year's FY 11 level for non-Medicaid GRF was associated with line items 404, 408 and 505.

Attachment A

PER DIEM = **\$525.00**

Semi-Annual AMV Scale				
RANGE OF ACTUAL DAYS ABOVE OR BELOW PLANNED DAYS			REFUND or PAYBACK %	
0	to	125	30%	\$19,687.50
125	to	187	40%	\$39,270.00
188	to	250	50%	\$65,625.00
250	to	312	60%	\$98,280.00
313	to	375	70%	\$137,812.50
375	to	500	80%	\$210,000.00
500	to	625	90%	\$295,312.50
>		625	100%	\$328,125.00

Cost Per Day > 125 Days
\$157.50
\$210.00
\$262.50
\$315.00
\$367.50
\$420.00
\$472.50
\$525.00

Note: Any Board whose actual days are within 125 days will not incur a payback or a receive a refund. But days over 125 will have a 30% cost or refund charge applied to the first 125 days. For days between 125 to 187 a 40% rate will be applied and, so on, through the sliding scale, as more days are used.

Annual AMV Scale				
Per Diem = \$525.00				
RANGE OF DAYS IN VARIANCE OF PLANNED NET DAYS			PAYBACK %	
0	to	250	30%	\$39,375.00
251	to	375	40%	\$65,625.00
376	to	500	50%	\$98,437.50
501	to	625	60%	\$137,812.50
626	to	750	70%	\$183,750.00
751	to	1,000	80%	\$288,750.00
1,001	to	1,250	90%	\$406,875.00
>		1,250	100%	\$406,875.00

Avg Cost/Day
\$157.50
\$175.00
\$196.88
\$220.50
\$245.00
\$288.75
\$325.50