

## DEPARTMENT OF HEALTH CARE FINANCE

## NOTICE OF FINAL RULEMAKING

The Director of the Department of Health Care Finance, pursuant to the authority set forth in An Act to enable the District of Columbia to receive Federal financial assistance under Title XIX of the Social Security Act for a medical assistance program, and for other purposes, approved December 27, 1967 (81 Stat. 744; D.C. Official Code §1-307.02 (2006 Repl. & 2012 Supp.)), and Section 6(6) of the Department of Health Care Finance Establishment Act of 2007, effective February 27, 2008 (D.C. Law 17-109; D.C. Official Code §7-771.05(6)(2008 Repl.)), hereby gives notice of the adoption of an amendment to Section 927 of Title 29 of the District of Columbia Municipal Regulations (DCMR) entitled, "Change of Base Year for Hospital for Sick Children".

The Hospital for Sick Children (HSC) is reimbursed based upon a per diem rate rather than a per discharge basis. This reimbursement methodology is based upon the reasonable cost of providing care in accordance with the Medicare principles of reimbursement. This rulemaking will change the base year by which HSC will be reimbursed for inpatient hospital services. A base year and its corresponding operating costs are used for determining prospective Medicaid reimbursement rates. The HSC's 1998 base year will be replaced by the 2009 base year, effective July 1, 2012.

The corresponding amendment to the District of Columbia State Plan for Medical Assistance was approved by the Council of the District of Columbia on July 5, 2012 and approved by the U.S. Department of Health and Human Services, Centers for Medicare and Medicaid Services (CMS) effective July 1, 2012.

A notice of proposed rulemaking was published in the *DC Register* on June 22, 2012 (59 DCR 007511). No comments were received and no substantive changes have been made. A change was made to codify the rules in Section 927 instead of Section 971. The Director adopted these rules on January 14, 2013. These rules shall become effective on the date of publication of this notice in the *D.C. Register*.

**Chapter 9 of Title 29 District of Columbia Municipal Regulations is amended to read as follows:**

**927 CHANGE OF BASE YEAR FOR HOSPITAL FOR SICK CHILDREN**

927.1 For services rendered on or after July 1, 2012, the Hospital for Sick Children's Medicaid payment for inpatient hospital services is based upon the hospital's audited allowable cost per diem for the base year period defined as the hospital's fiscal year ending December 31, 2009.