

EXHIBIT E

QUESTIONNAIRE FOR FILING PROPOSED RULES AND REGULATIONS WITH THE ARKANSAS LEGISLATIVE COUNCIL AND JOINT INTERIM COMMITTEE

DEPARTMENT/AGENCY Department of Human Services
DIVISION Division of Medical Services
DIVISION DIRECTOR Dawn Stehle
CONTACT PERSON Brian Jones
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Rock, AR 72203
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NAME OF PRESENTER AT COMMITTEE MEETING Tami Harlan
PRESENTER E-MAIL tami.harlan@dhs.arkansas.gov

INSTRUCTIONS

- A. Please make copies of this form for future use.
- B. Please answer each question completely using layman terms. You may use additional sheets, if necessary.
- C. If you have a method of indexing your rules, please give the proposed citation after "Short Title of this Rule" below.
- D. Submit two (2) copies of this questionnaire and financial impact statement attached to the front of two (2) copies of the proposed rule and required documents. Mail or deliver to:

Donna K. Davis
Administrative Rules Review Section
Arkansas Legislative Council
Bureau of Legislative Research
One Capitol Mall, 5th Floor
Little Rock, AR 72201

1. What is the short title of this rule? Hospital 4-15 and State Plan Amendment #2014-011
2. What is the subject of the proposed rule? To add the prospective per diem rate of \$400.00 per day to hospital inpatient reimbursement after the first 24 inpatient days.
3. Is this rule required to comply with a federal statute, rule, or regulation? Yes No
If yes, please provide the federal rule, regulation, and/or statute citation. _____
4. Was this rule filed under the emergency provisions of the Administrative Procedure Act? Yes No
If yes, what is the effective date of the emergency rule? _____

When does the emergency rule expire? _____

Will this emergency rule be promulgated under the permanent provisions of the Administrative Procedure Act?

Yes

No

5. Is this a new rule? Yes No

If yes, please provide a brief summary explaining the regulation. The Private Hospital Inpatient Adjustment will be will no longer be payable as of 1-1-2016. Effective 1-1-2016 hospital inpatient days after the first 24 days will be reimbursed at \$400.00 per day.

Does this repeal an existing rule? Yes No

If yes, a copy of the repealed rule is to be included with your completed questionnaire. If it is being replaced with a new rule, please provide a summary of the rule giving an explanation of what the rule does.

Is this an amendment to an existing rule?

Yes

No

If yes, please attach a mark-up showing the changes in the existing rule and a summary of the substantive changes. **Note: The summary should explain what the amendment does, and the mark-up copy should be clearly labeled "mark-up."**

6. Cite the state law that grants the authority for this proposed rule? If codified, please give the Arkansas Code citation. Arkansas Statute 20-76-201

7. What is the purpose of this proposed rule? Why is it necessary? This rule is necessary to remove the 24 day limit on all acute care, critical access acute care and rehabilitative hospital inpatient stays to ensure access to eligible beneficiaries.

8. Please provide the address where this rule is publicly accessible in electronic form via the Internet as required by Arkansas Code § 25-19-108(b).

<https://www.medicaid.state.ar.us/InternetSolution/general/comment/comment.aspx>

9. Will a public hearing be held on this proposed rule? Yes No

If yes, please complete the following:

Date: _____

Time: _____

Place: _____

10. When does the public comment period expire for permanent promulgation? (Must provide a date.)

October 24, 2015

11. What is the proposed effective date of this proposed rule? (Must provide a date.)

January 1, 2016 (Adopted by Federal Regulation October 1, 2014)

12. Do you expect this rule to be controversial? Yes No

If yes, please
explain. _____

13. Please give the names of persons, groups, or organizations that you expect to comment on these rules?
Please provide their position (for or against) if known.

The Arkansas Hospital Association will be in favor of this proposed rule.

FINANCIAL IMPACT STATEMENT

PLEASE ANSWER ALL QUESTIONS COMPLETELY

DEPARTMENT Department of Human Services
DIVISION Division of Medical Services
PERSON COMPLETING THIS STATEMENT Brian Jones
TELEPHONE NO. 501-537-2064 **FAX NO.** 501-404-4619 **EMAIL:** brian.jones@dhs.arkansas.gov

To comply with Ark. Code Ann. § 25-15-204(e), please complete the following Financial Impact Statement and file two copies with the questionnaire and proposed rules.

SHORT TITLE OF THIS RULE Hospital 4-15 and State Plan Amendment #2014-011

- 1. Does this proposed, amended, or repealed rule have a financial impact? Yes No
- 2. Is the rule based on the best reasonably obtainable scientific, technical, economic, or other evidence and information available concerning the need for, consequences of, and alternatives to the rule? Yes No
- 3. In consideration of the alternatives to this rule, was this rule determined by the agency to be the least costly rule considered? Yes No

If an agency is proposing a more costly rule, please state the following:

- (a) How the additional benefits of the more costly rule justify its additional cost;

- (b) The reason for adoption of the more costly rule;

- (c) Whether the more costly rule is based on the interests of public health, safety, or welfare, and if so, please explain; and;

- (d) Whether the reason is within the scope of the agency's statutory authority; and if so, please explain.

4. If the purpose of this rule is to implement a federal rule or regulation, please state the following:

- (a) What is the cost to implement the federal rule or regulation?

Current Fiscal Year

General Revenue _____
Federal Funds _____
Cash Funds _____
Special Revenue _____
Other (Identify) _____

Next Fiscal Year

General Revenue _____
Federal Funds _____
Cash Funds _____
Special Revenue _____
Other (Identify) _____

Total _____

Total _____

(b) What is the additional cost of the state rule?

Current Fiscal Year

Next Fiscal Year

General Revenue	<u>\$2,484,367</u>
Federal Funds	<u>\$5,858,033</u>
Cash Funds	_____
Special Revenue	_____
Other (Identify)	_____
Total	<u>\$8,342,400</u>

General Revenue	<u>\$ 5,043,815</u>
Federal Funds	<u>\$11,640,985</u>
Cash Funds	_____
Special Revenue	_____
Other (Identify)	_____
Total	<u>\$16,684,800</u>

5. What is the total estimated cost by fiscal year to any private individual, entity and business subject to the proposed, amended, or repealed rule? Identify the entity(ies) subject to the proposed rule and explain how they are affected.

Current Fiscal Year

Next Fiscal Year

\$ _____

\$ _____

6. What is the total estimated cost by fiscal year to state, county, and municipal government to implement this rule? Is this the cost of the program or grant? Please explain how the government is affected.

Current Fiscal Year

Next Fiscal Year

\$ 2,484,367

\$ 5,043,815

Currently hospitals are not paid for inpatient days beyond 24 in a state fiscal year for recipients 21 and older. This rule change will reimburse hospitals a per diem of \$400 for inpatient days in excess of 24 in a State Fiscal Year.

7. With respect to the agency's answers to Questions #5 and #6 above, is there a new or increased cost or obligation of at least one hundred thousand dollars (\$100,000) per year to a private individual, private entity, private business, state government, county government, municipal government, or to two (2) or more of those entities combined?

Yes No

If YES, the agency is required by Ark. Code Ann. § 25-15-204(e)(4) to file written findings at the time of filing the financial impact statement. The written findings shall be filed simultaneously with the financial impact statement and shall include, without limitation, the following:

(1) a statement of the rule's basis and purpose;

Currently, Arkansas Medicaid has a benefit limit of 24 inpatient hospital days per State Fiscal Year imposed for recipients age 21 and older. The purpose is to increase access to beneficiaries in Arkansas.

- (2) the problem the agency seeks to address with the proposed rule, including a statement of whether a rule is required by statute; **The problem is Arkansas has a 24 day benefit limit on inpatient hospital days and denies access to beneficiaries that exceed this limit. This rule is not required by Statute.**
- (3) a description of the factual evidence that:
- (a) justifies the agency's need for the proposed rule; and
 - (b) describes how the benefits of the rule meet the relevant statutory objectives and justify the rule's costs; **Currently the state does not pay for inpatient hospital days beyond 24 and therefore the day does not count as a paid day in the hospitals Upper Payment Limit Calculation.**
- (4) a list of less costly alternatives to the proposed rule and the reasons why the alternatives do not adequately address the problem to be solved by the proposed rule; **Currently the state pays a per diem of \$850 per day for the first 24 days. Paying the proposed per diem of \$400 for days beyond 24 would require less state general revenue then paying the current per diem of \$850. The day would become a paid day and would be allowed in the Upper Payment Limit Calculation.**
- (5) a list of alternatives to the proposed rule that were suggested as a result of public comment and the reasons why the alternatives do not adequately address the problem to be solved by the proposed rule; N/A
- (6) a statement of whether existing rules have created or contributed to the problem the agency seeks to address with the proposed rule and, if existing rules have created or contributed to the problem, an explanation of why amendment or repeal of the rule creating or contributing to the problem is not a sufficient response; and **The state currently does not pay for inpatient hospital days beyond 24 and therefore cannot include these days in the Upper Payment Limit Calculation.**
- (7) an agency plan for review of the rule no less than every ten (10) years to determine whether, based upon the evidence, there remains a need for the rule including, without limitation, whether:
- (a) the rule is achieving the statutory objectives;
 - (b) the benefits of the rule continue to justify its costs; and
 - (c) the rule can be amended or repealed to reduce costs while continuing to achieve the statutory objectives.
- The state prepares an Upper Payment Limit Calculation each year therefore the state will see each year if the proposed rule is achieving the purpose it was intended.**

**Summary for
SPA #2014-011 & Hospital Update #4-15**

Effective January 1, 2016, Arkansas Medicaid removed the 24 day limit on all acute care, critical access acute care and rehabilitative hospital inpatient stays. This rule change ensures access to eligible beneficiaries. Effective for admissions on or after January 1, 2016, the per diem rate for inpatient hospital stays beyond twenty-four days will be reimbursed at \$400 per day. The reimbursed days beyond 24 will not be included with Medicaid cost settlements for participating hospitals. The budget impact associated with the change is \$16,684,800.

AMOUNT, DURATION AND SCOPE OF
SERVICES PROVIDED

Revised: October 1, 2014

CATEGORICALLY NEEDED

1. Inpatient Hospital Services

All inpatient admissions to an acute care/general hospital or rehabilitative hospital will be allowed up to four (4) days of service per admission when determined inpatient care is medically necessary. On the fifth day of hospitalization, if the physician determines the patient should not be discharged on the fifth day of hospitalization, the hospital may contact the Quality Improvement Organization (QIO) and request an extension of inpatient days. The Quality Improvement Organization will then determine medically necessary days. Calls for extension of days may be made at any point from the fourth day of stay through discharge. However the provider must accept the financial liability should the stay not meet the necessary medical criteria for inpatient services. Medically necessary inpatient days are available to individuals under age 1 without regard to the four day limit and extension procedures required under the plan. Additionally, effective for dates of service on or after November 1, 2001, a benefit limit of 24 days per State Fiscal Year (July 1 through June 30) is imposed for recipients age 21 and older. No extensions will be authorized. The benefit limit does not apply to recipients under age 21 in the Child Health Services (EPSDT) Program or beneficiaries, regardless of age, who meet the following criteria:

I. Diagnosis (one of the following)

- a. the presence of two or more diagnoses on Axis I and/or II is indicative of a serious emotional disorder
- b. the presence of a diagnosis on Axis I or II and a diagnosis on Axis III

II. Poor prognostic factors are as evidenced by

- a. early age at time of onset
- b. positive family history for major mental illness
- c. prior treatment has been ineffective; treatment failure, poor response to treatment
- d. co-occurring presentation (medical illness, developmental disability, substance abuse/disorder & mental illness)
- e. non-compliance with treatment
- f. compromised social support system
- g. other evidence-based poor prognostic factors (varies by condition or disorder)

III. Patient was referred by another behavioral health professional for an expert opinion

Effective for dates of service on or after October 1, 2014, days over 24 days per State Fiscal Year will be reimbursed for age 21 and older.

Inpatient hospital services required for pancreas/kidney transplants, liver/bowel transplants and skin transplants for burns are covered for eligible Medicaid recipients in the Child Health Services (EPSDT) Program. Refer to Attachment 3.1-E, Pages 2, 4 and 6

State: Arkansas
Date Received: October 21, 2014
Date Approved: JUN 01 2015
Date Effective: October 1, 2014
Transmittal Number: 14-0011

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
MEDICAL ASSISTANCE PROGRAM
STATE ARKANSAS

ATTACHMENT 3.1-B
Page 2a

AMOUNT, DURATION AND SCOPE OF
SERVICES PROVIDED

Revised:

October 1, 2014

MEDICALLY NEEDY

1. Inpatient Hospital Services

All inpatient admissions to an acute care/general hospital or rehabilitative hospital will be allowed up to four (4) days of service per admission when determined inpatient care is medically necessary. On the fifth day of hospitalization, if the physician determines the patient should not be discharged on the fifth day of hospitalization, the hospital may contact the Quality Improvement Organization (QIO) and request an extension of inpatient days. The Quality Improvement Organization will then determine medically necessary days. Calls for extension of days may be made at any point from the fourth day of stay through discharge. However the provider must accept the financial liability should the stay not meet the necessary medical criteria for inpatient services. Medically necessary inpatient days are available to individuals under age 1 without regard to the four day limit and extension procedures required under the plan. Additionally, effective for dates of service on or after November 1, 2001, a benefit limit of 24 days per State Fiscal Year (July 1 through June 30) is imposed for recipients age 21 and older. No extensions will be authorized. The benefit limit does not apply to recipients under age 21 in the Child Health Services (EPSDT) Program. **Effective for dates of service on or after October 1, 2014, days over 24 days per State Fiscal Year will be reimbursed for age 21 and older.**

Inpatient hospital services required for pancreas/kidney transplants, liver/bowel transplants and skin transplants for burns are covered for eligible Medicaid recipients in the Child Health Services (EPSDT) Program. Refer to Attachment 3.1-E, Pages 2, 4, and 6.

State: Arkansas
Date Received: October 21, 2014
Date Approved: JUN 01 2015
Date Effective: October 1, 2014
Transmittal Number: 14-0011

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES -
INPATIENT HOSPITAL SERVICES

Revised: October 1, 2014

1. Inpatient Hospital Services

The State has in place a public process, which complies with the requirements of Section 1902(a)(13)(A) of the Social Security Act.

In accordance with Section 1902(s) of the Social Security Act, we do not impose dollar limits on any inpatient hospital services for children under age one (or children that are hospitalized on their first birthday). This includes the \$850.00 per diem cost limit, the TEFRA rate of increase limit, the customary charge upper limit or the \$150,000 bone marrow transplant limit. This applies to all inpatient hospitals.

Effective for claims with dates of service on or after January 1, 2007, all acute care hospitals with the exception of Pediatric Hospitals, Border City University-Affiliated Pediatric Teaching Hospitals, Arkansas State Operated Teaching Hospitals, Rehabilitative Hospitals, Inpatient Psychiatric Hospitals, Out-Of-State Hospitals and Critical Access Hospitals will be reimbursed based on reasonable cost with interim per diem rates and year-end cost settlements, with a cost limit of \$850 per day.

Effective for dates of services October 1, 2014 and after for recipients age 21 and older, all acute care, Pediatric, Border-City University-affiliated Pediatric Teaching Hospitals, Arkansas State Operated Teaching Hospitals will be reimbursed a \$400 prospective per diem rate with no cost settlement for hospital days beyond 24 during the State Fiscal Year. The \$400 prospective per diem rate does not apply to beneficiaries age 21 and older who receive inpatient services in accordance with special diagnosis criteria identified in Attachment 3.1-A Page 1a, Section 1.

Arkansas Medicaid will use the lesser of cost or charges or the \$850 per diem cost limit multiplied by total hospital Medicaid days **24 and under** to establish cost settlements. Except for malpractice insurance, graduate medical education costs and the base period for determining the TEFRA target limits, the interim per diem rates and the cost settlements are calculated in a manner consistent with the method used by the Medicare Program. The definition of allowable costs to be used is as follows:

- (a) The State will use the Medicare allowable costs as stated in the HIM-15/PRM-15.

The State will use the criteria referenced in 42 CFR, Section 413.89(e) - Criteria for allowable bad debt, to determine allowable bad debt.

- (b) Physicians/Administrative/Teachers will be included in costs as recognized by Medicare reimbursement principles.

State: Arkansas
Date Received: October 21, 2014
Date Approved: JUN 01 2015
Date Effective: October 1, 2014
Transmittal Number: 14-0011

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES -
INPATIENT HOSPITAL SERVICES

October 1, 2014

1. Inpatient Hospital Services (continued)

At cost settlement, Arkansas Medicaid will limit reimbursement to the lowest of the following:

- (a) Allowable costs after application of the TEFRA rate of increase limit. The TEFRA rate of increase limit is the hospital's TEFRA target rate multiplied by its total number of Medicaid discharges.

Effective for cost reporting periods ending on or after June 30, 2000, the TEFRA rate of increase limit will no longer be applied to Arkansas State Operated Teaching Hospitals.

- (b) The hospital's customary charges to the general public for the services. (This will be applied on an annual basis at cost settlement.)
- (c) A maximum limit per Medicaid days. The maximum limit is the total number of Medicaid inpatient days during the cost reporting period multiplied by the \$850.00 per diem cost limit.

State: Arkansas Date Received: October 21, 2014 Date Approved: JUN 01 2015 Date Effective: October 1, 2014 Transmittal Number: 14-0011
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METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES -
INPATIENT HOSPITAL SERVICES

Revised: October 1, 2014

1. Inpatient Hospital Services (Continued)

Rehabilitative Hospitals

Effective for dates of service on or after August 1, 1991, rehabilitative hospitals are reimbursed hospital-specific prospective per diem rates, subject to an upper limit, with no cost settlement. Rates will be effective July 1 of each year. The rate year is the State fiscal year, July 1 through June 30.

Effective October 1, 2014 for recipients age 21 and older, all in-state and out-of-state rehabilitative hospitals will be reimbursed a \$400 prospective per diem rate for hospital days beyond 24 during the State Fiscal Year.

The prospective per diem rates are established using total reimbursable costs under Medicare principles of reasonable cost reimbursement, except that the gross receipts tax is not an allowable cost. The initial per diem rate is calculated from the hospital's most recent unaudited cost report submitted to Medicare prior to July 1, 1991, trended forward for inflation. Arkansas Medicaid will calculate a new per diem rate annually, based on the provider's most recent unaudited cost report, and adjust the per diem rate for inflation.

The inflation factor used will be the Consumer Price Index for all urban consumers (CPI-U), U.S. city average for all items. We will use the change in the CPI-U during the calendar year before the start of the rate year. For example, we will use the 12-month change in the CPI-U as of December 31, 1991, to set the rates that will be effective July 1, 1992. The inflation adjustment will be made at the beginning of each rate year.

The upper limit is set annually at the 70th percentile of all rehabilitative hospitals' inflation-adjusted Medicaid per diem rate. Arkansas Medicaid will negotiate with the Arkansas Hospital Association annually (State fiscal year July 1 through June 30) regarding adjustment of the 70th percentile upper limit.

State: Arkansas
Date Received: October 21, 2014
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Date Effective: October 1, 2014
Transmittal Number: 14-0011



Division of Medical Services
Program Development & Quality Assurance

P.O. Box 1437, Slot S295 · Little Rock, AR 72203-1437
501-320-6428 · Fax: 501-404-4619
TDD/TTY: 501-682-6789



TO: Arkansas Medicaid Health Care Providers – Hospital/Critical Access Hospital (CAH)/End Stage Renal Disease (ESRD)

DATE: January 1, 2016

SUBJECT: Provider Manual Update Transmittal HOSPITAL-4-15

REMOVE

Section Date
250.230 7-1-07

INSERT

Section Date
250.230 1-1-16

PROPOSED

Explanation of Updates

Section 250.230 has been updated with the most current prospective per diem rates and calculation method for daily upper limits.

The paper version of this update transmittal includes revised pages that may be filed in your provider manual. See Section I for instructions on updating the paper version of the manual. For electronic versions, these changes have already been incorporated.

If you have questions regarding this transmittal, please contact the HP Enterprise Services Provider Assistance Center at 1-800-457-4454 (Toll-Free) within Arkansas or locally and Out-of-State at (501) 376-2211.

If you need this material in an alternative format, such as large print, please contact the Program Development and Quality Assurance Unit at (501) 320-6429.

Arkansas Medicaid provider manuals (including update transmittals), official notices, notices of rule making and remittance advice (RA) messages are available for downloading from the Arkansas Medicaid website: www.medicaid.state.ar.us.

Thank you for your participation in the Arkansas Medicaid Program.

Dawn Stehle
Director

TOC not required

250.230

Daily Upper Limit

1-1-16

A daily upper limit to inpatient hospital reimbursement is established in the Title XIX State Plan.

- A. A daily upper limit amount of \$675.00 is effective for dates of service April 1, 1996 through June 30, 2006. The \$675.00 daily upper limit for this period represents the 90th percentile of the cost-based per diems (per the cost settlements of their fiscal year-end 1994 cost reports) of all hospitals subject to the Arkansas Medicaid daily upper limit at the time of the computation.
- B. For dates of service July 1, 2006 and after, DMS will review the hospital cost report data at least biennially and adjust the daily upper limit reimbursement amount if necessary.
- C. A daily upper limit amount of \$850.00 is effective for dates of service on and after January 1, 2007; effective January 1, 2016 inpatient days beyond 24 will be reimbursed at \$400.00 per day. This is a prospective per diem rate and will not be included in the cost settlement.
- D. The daily upper limit does not apply to the following.
 1. Pediatric hospitals
 2. Arkansas State Operated Teaching Hospitals, effective for cost reporting periods ending on or after June 30, 2000
 3. Border City, University-affiliated, Pediatric Teaching hospitals
 4. Inpatient services for children under the age of 1
 5. Inpatient services for children, from their first birthday until their discharge date, who were admitted on or before their first birthday and were discharged after their first birthday
- E. The daily upper limit is determined as follows.
 1. The aggregate daily upper limit amount for a hospital is calculated by multiplying the hospital's cost-reporting period's covered days (excluding days subject to the \$400 per diem prospective reimbursement amount) by the \$850 upper cost per diem limit.
 2. The aggregate daily upper limit amount is compared to the amount carried forward from the comparison of TEFRA-limited costs or charges.
 3. The lesser of those two amounts becomes the new aggregate daily upper limit amount, subject to any additional payments or adjustments that may apply, such as direct graduate medical education (GME) costs or disproportionate share hospital (DSH) payments.
 4. Effective for dates of service on or after July 1, 2006, Medicaid will review hospital cost report data at least biennially, in accordance with the methodology described above in subparts 1, 2, and 3 and adjust the daily upper limit amount if necessary.

PROPOSED

TOC not required

250.230 Daily Upper Limit

71-1-0716

A daily upper limit to inpatient hospital reimbursement is established in the Title XIX State Plan.

- A. A daily upper limit amount of \$675.00 is effective for dates of service April 1, 1996 through June 30, 2006. The \$675.00 daily upper limit for this period represents the 90th percentile of the cost-based per diems (per the cost settlements of their fiscal year-end 1994 cost reports) of all hospitals subject to the Arkansas Medicaid daily upper limit at the time of the computation.
- B. For dates of service July 1, 2006 and after, DMS will review the hospital cost report data at least biennially and adjust the daily upper limit reimbursement amount if necessary.
- C. A daily upper limit amount of \$850.00 is effective for dates of service on and after January 1, 2007; effective January 1, 2016 inpatient days beyond 24 will be reimbursed at \$400.00 per day. This is a prospective per diem rate and will not be included in the cost settlement.
- D. The daily upper limit does not apply to the following.
 1. Pediatric hospitals
 2. Arkansas State Operated Teaching Hospitals, effective for cost reporting periods ending on or after June 30, 2000
 3. Border City, University-affiliated, Pediatric Teaching hospitals
 4. Inpatient services for children under the age of 1
 5. Inpatient services for children, from their first birthday until their discharge date, who were admitted on or before their first birthday and were discharged after their first birthday
- E. The daily upper limit is determined as follows.
 1. The aggregate daily upper limit amount for a hospital is calculated by multiplying the hospital's cost-reporting period's Medicaid-covered days (excluding days subject to the \$400 per diem prospective reimbursement amount) by the \$850 upper cost per diem limit (in all affected hospitals) by the daily upper limit amount in force at the time.
 2. The aggregate daily upper limit amount is compared to the amount carried forward from the comparison of TEFRA-limited costs or charges.
 3. The lesser of those two amounts becomes the new aggregate daily upper limit amount, subject to any additional payments or adjustments that may apply, such as direct graduate medical education (GME) costs or disproportionate share hospital (DSH) payments.
 4. Effective for dates of service on or after July 1, 2006, Medicaid will review hospital cost report data at least biennially, in accordance with the methodology described above in subparts 1, 2, and 3 and adjust the daily upper limit amount if necessary.