

**LEGAL NOTICE  
STATE OF OHIO  
OHIO DEPARTMENT OF MEDICAID**

Pursuant to section 1902(a)(13)(A) of the Social Security Act and 42 CFR 447.205, the director of the Ohio Department of Medicaid (department) gives initial notice of the department's intent to modify provisions relating to the reimbursement for medical services by expanding the Episode Based Payment model for calendar year 2020 to include an additional seven episodes tied to financial incentives: Neonatal-Medium; Ankle Sprain, Strain or non-operative fracture; Shoulder Sprain, Strain or non-operative fracture; Wrist Sprain, Strain or non-operative fracture; Knee Sprain, Strain or non-operative fracture; Knee Arthroscopy; and Femur and Pelvis fracture. In addition, two Episodes will be removed from financial incentives: ADHD and Congestive Heart Failure. These modifications to the Episode Based Payment model will further the objectives of the program which includes providing transparency on spend and quality of care to reduce costs and improve care for Ohio's Medicaid population.

The Episode Based Payments model describes the department's Episode Based Payment system. Episode Based Payments are a method to pay for the value of medical care provided to Medicaid recipients. Episode-based payments reduce the incentive to overuse unnecessary services within a defined episode of care. An "episode" is a defined group of related covered services provided to a Medicaid recipient over a specific period of time, such as joint replacement or pregnancy and delivery, for which the recipient has been treated.

Retrospectively, claims data is used to evaluate the costs and quality of care rendered by providers, and to apply financial incentives to providers based on their performance. For each episode, a provider's performance on quality and average cost is compared to the average risk-adjusted costs for all other principal accountable providers for that type of episode in order to determine whether or not a provider is eligible for a positive incentive payment, a negative incentive payment or no change in payment.

Providers providing the following services may be considered a Principal Accountable Provider (PAP) for a particular episode:

- Inpatient hospital services;
- Outpatient hospital services;
- Physicians' services;
- Licensed practitioners' services—
  - Podiatrists;
  - Chiropractors;
  - Physician Assistants;
  - Certified nurse practitioners (CNP) other than certified pediatric and family nurse practitioners;
- Clinic services—
  - Service-Based Ambulatory Health Care Clinic (AHCC) Services;
  - Outpatient health facilities (OHFs);
  - Ambulatory surgical centers (ASCs);

- Dental services;
- Nurse midwife services;
- Certified pediatric and family nurse practitioner services.

Providers providing the following services are no longer considered a Principal Accountable Provider (PAP) for a particular episode:

- Non-Physician licensed behavioral health providers- Psychologists Only.

Implementation of the above-described changes to Episode Based Payments is not expected to either increase or decrease annual aggregate expenditures for the Ohio Department of Medicaid.

Any person may examine and obtain a copy of the changes, without charge, at the following locations:

Ohio Department of Medicaid, 50 West Town Street, Fourth Floor, Columbus, Ohio 43215;  
Any county department of job and family services; or on the internet at  
<https://medicaid.ohio.gov/provider/PaymentInnovation/Episodes>.

Written comments regarding these changes may be submitted by mail to the Ohio Department of Medicaid, attn.: Nora Mertens, Episodes of Care Lead, 50 West Town Street, Suite 400, Columbus, Ohio 43215-3414, and may be reviewed at the same location. Comments may also be provided by e-mail to the following address: [Nora.Mertens@medicaid.ohio.gov](mailto:Nora.Mertens@medicaid.ohio.gov). Comments must be submitted no later than November 30, 2019.