

Rule Summary and Fiscal Analysis

Part A - General Questions

Rule Number: 4123-6-08

Rule Type: Amendment

Rule Title/Tagline: Bureau fee schedule.

Agency Name: Bureau of Workers' Compensation

Division:

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I. Rule Summary

1. **Is this a five year rule review?** Yes
 - A. **What is the rule's five year review date?** 2/28/2020
2. **Is this rule the result of recent legislation?** No
3. **What statute is this rule being promulgated under?** 119.03
4. **What statute(s) grant rule writing authority?** 4121.12, 4121.121, 4121.30, 4121.31, 4123.05
5. **What statute(s) does the rule implement or amplify?** 4121.12, 4121.44, 4121.441, 4123.66
6. **What are the reasons for proposing the rule?**

Pursuant to R.C. 119.032, state agencies are required to review all agency rules every five years to determine whether to amend the rules, rescind the rules, or continue the rules without change. Due to such review, the Bureau is proposing to amend this rule for the purposes explained below.

7. **Summarize the rule's content, and if this is an amended rule, also summarize the rule's changes.**

This rule establishes the fees to be paid by BWC to providers for medical and professional provider services for injured workers. The BWC adopted recommendations for this fee schedule are:

1. Benefit plan changes:
 - a. Add modifier ER to reduce confusion and improve reporting compliance.
 - b. Remove total hip joint replacement from list of Ohio approved hospital joint replacement procedures.
 - c. Update fees for remaining Ohio approved hospital joint replacement procedures.
2. Adopt the 2020 hospital outpatient rates as published in Medicare's hospital outpatient rule, with the following adjustments:
 - a. Maintain current approach to reimbursing provider-based departments.
 - b. Require hospitals, upon request, to submit provider-based status of a department.
3. Modify Ohio inflation of Medicare base rates:
 - a. Adopt a 258.3% BWC payment adjustment factor for children's hospitals.
 - b. Adopt a 140.0% BWC payment adjustment factor for all other hospitals.

8. **Does the rule incorporate material by reference?** No
9. **If the rule incorporates material by reference and the agency claims the material is exempt pursuant to R.C. 121.75, please explain the basis for the exemption and how an individual can find the referenced material.**

Not Applicable

10. **If revising or re-filing the rule, please indicate the changes made in the revised or re-filed version of the rule.**

Not Applicable

II. Fiscal Analysis

11. **Please estimate the increase / decrease in the agency's revenues or expenditures in the current biennium due to this rule.**

This will increase expenditures.

1,356,000.00

These recommendations will result in an estimated payment of \$226 million, or a minimum increase of 0.6%.

12. What are the estimated costs of compliance for all persons and/or organizations directly affected by the rule?

The impacted business community consists of the providers of medical and professional services to injured workers, rendered both in the facility and non-facility setting, as well as self-insured employers administering the program. Since the procedure code changes reflect a very narrow update, the changes being recommended are not projected to have a measurable impact on reimbursement.

13. Does the rule increase local government costs? (If yes, you must complete an RSFA Part B). No

14. Does the rule regulate environmental protection? (If yes, you must complete an RSFA Part C). No

15. If the rule imposes a regulation fee, explain how the fee directly relates to your agency's cost in regulating the individual or business.

Not Applicable.

III. Common Sense Initiative (CSI) Questions

16. Was this rule filed with the Common Sense Initiative Office? Yes

17. Does this rule have an adverse impact on business? Yes

A. Does this rule require a license, permit, or any other prior authorization to engage in or operate a line of business? No

B. Does this rule impose a criminal penalty, a civil penalty, or another sanction, or create a cause of action, for failure to comply with its terms? No

C. Does this rule require specific expenditures or the report of information as a condition of compliance? Yes

To be paid for services, providers must submit fee bills for payment to the Bureau's Managed Care Organizations (MCOs).

D. Is it likely that the rule will directly reduce the revenue or increase the expenses of the lines of business of which it will apply or applies? No