

4123-6-37.1**Payment of hospital inpatient services.**

(A) Unless an MCO has negotiated a different payment rate with a hospital pursuant to rule 4123-6-08 of the Administrative Code, reimbursement for hospital inpatient services, excluding outliers as defined in paragraph (B) of this rule, shall be equal to one hundred fifteen percent of the applicable diagnosis related group (DRG) reimbursement rate for the hospital inpatient service under the medicare program established under Title XVIII of the Social Security Act, 79 Stat. 286 (1965), 42 U.S.C. 1395 as amended.

(B) Reimbursement for outliers shall be determined as follows:

- (1) For hospitals with a reported cost-to-charge ratio, outliers shall be defined as hospital inpatient stays in which the hospital's allowable billed charges multiplied by the hospital's reported cost-to-charge ratio is more than two standard deviations above the applicable medicare DRG value, and reimbursement for outliers shall be equal to the hospital's allowable billed charges multiplied by the hospital's reported cost-to-charge ratio, not to exceed sixty percent of the hospital's allowable billed charges;
- (2) For hospitals without a reported cost-to-charge ratio, outliers shall be defined as hospital inpatient stays in which sixty percent of the hospital's allowable billed charges is more than two standard deviations above the applicable medicare DRG value, and reimbursement for outliers shall be equal to sixty percent of the hospital's allowable billed charges.

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CERTIFIED ELECTRONICALLY

Certification

12/11/2006

Date

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