

Rule Summary and Fiscal Analysis (Part A)**Bureau of Workers' Compensation**

Agency Name

Division

Tom Sico

Contact

30 West Spring St. L26 Columbus OH 43215-0000

Agency Mailing Address (Plus Zip)

614-466-6600

Phone

614-621-3372

Fax

4123-6-37.1

Rule Number

AMENDMENT

TYPE of rule filing

Rule Title/Tag Line

Payment of hospital inpatient services.**RULE SUMMARY**

1. Is the rule being filed consistent with the requirements of the RC 119.032 review? **Yes**

2. Are you proposing this rule as a result of recent legislation? **No**

3. Statute prescribing the procedure in accordance with the agency is required to adopt the rule: **119.03**

4. Statute(s) authorizing agency to adopt the rule: **4121.12, 4121.30, 4121.31, 4123.05**

5. Statute(s) the rule, as filed, amplifies or implements: **4121.121, 4121.44, 4121.441, 4123.66**

6. State the reason(s) for proposing (i.e., why are you filing,) this rule:

The rule is amended to update the methodology for the payment of hospital inpatient services for workers' compensation claims.

7. If the rule is an AMENDMENT, then summarize the changes and the content of the proposed rule; if the rule type is RESCISSION, NEW or NO CHANGE, then summarize the content of the rule:

Ohio Administrative Code 4123-6-37.1 currently incorporates by reference 42

Code of Federal Regulations (C.F.R.) Part 412 as published in the October 1, 2008 C.F.R., as well as Federal Register citations to the 2008 Medicare regulations under which the applicable MS-DRG reimbursement rate was determined during the last Medicare fiscal year. BWC is proposing to revise the Federal Register citations to the 2009 regulations, and the 42 CFR Part 412 citation to that published in the October 1, 2009 C.F.R.

BWC is proposing to keep the amount reimbursed to hospitals at one hundred twenty percent (120%) of the applicable MS-DRG, as under the current rule. BWC is also proposing to calculate the per diem rates for direct graduate medical education annually every February 1, to be consistent with the effective date of the rule. Outliers shall continue to be reimbursed at one hundred seventy-five percent (175%) of the applicable MS-DRG reimbursement rate for the hospital inpatient service.

MS-DRG exempt hospitals who submitted a 2008 cost report to the Ohio Department of Job and Family Services (ODJFS) shall continue to be reimbursed at seventy percent (70%) of billed charges; MS-DRG exempt hospitals who did not submit a 2008 cost report to ODJFS shall continue to be reimbursed at sixty-two percent (62%) of billed charges.

The proposed rule would also clarify that a QHP or self-insuring employer may reimburse hospital inpatient services at:

the applicable rate under the or "MS-DRG" methodology; or

seventy percent (70%) of billed charges for hospitals who submitted a 2008 cost report to ODJFS, and sixty-two percent (62%) of billed charges for hospitals who did not submit a 2008 cost report to ODJFS; or

the rate negotiated between the hospital and the QHP or self-insuring employer in accordance with rule 4123-6-46 of the Administrative Code.

Finally, BWC proposes to make the new hospital inpatient reimbursement rule applicable to hospital inpatient services with a discharge date of February 1, 2010 or later.

8. If the rule incorporates a text or other material by reference and the agency claims the incorporation by reference is exempt from compliance with sections 121.71 to 121.74 of the Revised Code because the text or other material is **generally available** to persons who reasonably can be expected to be affected by the rule, provide an explanation of how the text or other material is generally available to those persons:

This response left blank because filer specified online that the rule does not incorporate a text or other material by reference.

9. If the rule incorporates a text or other material by reference, and it was **infeasible** for the agency to file the text or other material electronically, provide an explanation of why filing the text or other material electronically was infeasible:

This response left blank because filer specified online that the rule does not incorporate a text or other material by reference.

10. If the rule is being **rescinded** and incorporates a text or other material by reference, and it was **infeasible** for the agency to file the text or other material, provide an explanation of why filing the text or other material was infeasible:

Not Applicable.

11. If **revising** or **refiling** this rule, identify changes made from the previously filed version of this rule; if none, please state so:

Not Applicable.

12. 119.032 Rule Review Date: **11/17/2009**

(If the rule is not exempt and you answered NO to question No. 1, provide the scheduled review date. If you answered YES to No. 1, the review date for this rule is the filing date.)

NOTE: If the rule is not exempt at the time of final filing, two dates are required: the current review date plus a date not to exceed 5 years from the effective date for Amended rules or a date not to exceed 5 years from the review date for No Change rules.

FISCAL ANALYSIS

13. Estimate the total amount by which *this proposed rule* would **increase/decrease** either **revenues /expenditures** for the agency during the current biennium (in dollars): Explain the net impact of the proposed changes to the budget of your agency/department.

This will increase expenditures.

\$2,400,000.00

The estimated overall reimbursement increase to hospitals for inpatient services is a 2.9% increase over current reimbursement rates.

14. Identify the appropriation (by line item etc.) that authorizes each expenditure necessitated by the proposed rule:

n/a

15. Provide a summary of the estimated cost of compliance with the rule to all directly affected persons. When appropriate, please include the source for your information/estimated costs, e.g. industry, CFR, internal/agency:

There is no cost of compliance for affected persons for this rule.

16. Does this rule have a fiscal effect on school districts, counties, townships, or municipal corporations? **No**

17. Does this rule deal with environmental protection or contain a component dealing with environmental protection as defined in R. C. 121.39? **No**