

Rule Summary and Fiscal Analysis

Part A - General Questions

Rule Number: 4123-6-37.1
Rule Type: Amendment
Rule Title/Tagline: Payment of hospital inpatient services.
Agency Name: Bureau of Workers' Compensation
Division:
Address: 30 W. Spring St. Columbus OH 43215
Contact: Aniko Nagy
Email: aniko.n.1@bwc.state.oh.us **Phone:** 614-466-3293

I. Rule Summary

1. **Is this a five year rule review?** No
 - A. **What is the rule's five year review date?** 2/1/2020
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, 4121.121, 4121.44, 4121.441, 4123.66
6. **What are the reasons for proposing the rule?**

The Bureau's hospital inpatient reimbursement methodology is based on Medicare's "Medicare severity diagnosis related group" or "MS-DRG" methodology, which is updated annually. Therefore, the Bureau must also annually update rule 4123-6-37.1 of the Administrative Code, to keep in sync with Medicare.

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 of inpatient hospital services for injured workers. The proposed changes are to:
Adopt Medicare 2018 final rule including but not limited to:

â Update to the national standardized amount;

â MS-DRG changes, ICD-10 updates, and relative weight updates;

â Quality and value related programs.

Modify current Payment Adjustment Factor (PAF) to reflect the statewide reimbursement to cost benchmark of 114%

â 109.5% for MS-DRG and direct graduate medical education (DGME) services;

â 171.5% for outlier services.

Adopt an optional per diem methodology for hospital inpatient opioid detoxification services.

8. **Does the rule incorporate material by reference? Yes**
9. **If the rule incorporates material by reference and the agency claims the material is exempt pursuant to R.C. 121.71 to 121.76, please explain the basis for the exemption and how an individual can find the referenced material.**
All materials incorporated as follows in accordance with R.C. 121.75, available online:

Budget Control Act of 2011, 125 Stat. 239, 2 U.S.C. 900 to 907d; as amended as of the effective date of this rule;

82 Fed. Reg. 37990-38589 (2017);

42 C.F.R. Part 412 as published in the October 1, 2017, Code of Federal Regulations;

Title XVIII of the Social Security Act, 79 Stat. 286 (1965), 42 U.S.C. 1395 to 1395-III, excluding 42 USC 1395ww(m), as amended as of the effective date of this rule.
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. As a result of this proposed rule, please estimate the increase / decrease in revenues or expenditures affecting this agency, or the state generally, in the current biennium or future years. If the proposed rule is likely to have a different fiscal effect in future years, please describe the expected difference and operation.

This will have no impact on revenues or expenditures.

\$0.00

The projected impact of the recommended changes will be flat for 2018.

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

n/a

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

III. Common Sense Initiative (CSI) Questions

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

16. Does this rule have an adverse impact on business? No

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

This rule mainly outlines the rates by which reimbursement is calculated for inpatient services provided by hospitals. Providers must submit reports to the MCOs to receive reimbursement.