

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

Agency Name

Division

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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? **No**

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 Health Partnership Program (HPP) rules were first promulgated in 1996, prior to the implementation of the HPP in 1997. Subsequently, HPP rules establishing criteria for the payment of various specific medical services were adopted in February 1997.

Ohio Administrative Code 4123-6-37 provides general criteria for the payment of hospital services under the HPP. Ohio Administrative Code 4123-6-37.1 provides specific methodology for the payment of inpatient hospital services. It initially became effective January 1, 2007, and was later amended effective April 1, 2007.

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 CFR Part 412 as published in the October 1, 2006 Code of Federal Regulations (CFR)," as well as Federal Register citations to the 2006 Medicare regulations under which the "applicable diagnosis related group (DRG) reimbursement rate" was determined during the last Medicare fiscal year.

Medicare has recently published its 2007 DRG reimbursement regulations in the Federal Register, and 42 CFR Part 412 is scheduled to be updated in the October 1, 2007 CFR. Therefore, BWC is proposing to revise Ohio Administrative Code 4123-6-37.1 to reference the Federal Register citations to the 2007 regulations, and 42 CFR Part 412 as published in the October 1, 2007 CFR.

In addition, BWC is proposing that references in Ohio Administrative Code 4123-6-37.1 to hospitals' "2004 total inpatient cost-to-charge ratios as reported to Ohio Medicaid" be changed to the 2006 reported ratios, so that BWC may utilize the most current reported information.

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:

In Paragraph (D) of the rule, the paragraph following paragraph (D)(2) has been relettered to new paragraph (E). Subparagraphs (D)(2)(a) and (D)(2)(b) are now subparagraphs (E)(1) and (E)(2).

At the end of Paragraph (E)(2), the rule adds that the material is found the "CMS Manual System, Pub. 100-04, Medicare Claims Processing, Transmittal 1374, November 7, 2007."

12. 119.032 Rule Review Date: **3/1/2009**

(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 have no impact on revenues or expenditures.

0.00

N/A

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:

While there is no direct cost of compliance with this rule for affected hospitals, the rule may result in a change in the reimbursement rates for hospital inpatient services.

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**