

5101:3-2-07.6 **Capital costs.**

- (A) For purposes of this rule, capital costs include the categories of costs recognized by medicare on the ~~HCFA 2552-96~~ centers for medicare and medicaid services (CMS) 2552-96 revised April 1, 2005, available at [http://www.cms.hhs.gov/manuals/pub152/PUB\\_15\\_2.asp](http://www.cms.hhs.gov/manuals/pub152/PUB_15_2.asp).
- (B) Capital-related costs for Ohio hospitals paid under prospective payment will be subject to reasonable cost reimbursement. The program reimbursable amount will be reconciled during settlement to the total amount of interim capital payments associated with discharges occurring during the cost-reporting period.
- (C) Annual update of interim capital payments.

The calculation of interim capital payments resulting in the capital allowance identified in paragraph (I) of rule ~~5101:3-2-07.4~~ 5101:3-2-07.4 of the Administrative Code ~~are~~ is based on the hospital's cost-reporting period.

On an annual basis, the interim capital payments will be redetermined by identifying the capital-related costs reported on ~~HCFA~~ CMS 2552-96; multiplying that cost by the per cent of medicaid inpatient charges to total charges; and dividing the result by the number of medicaid discharges that occurred during the cost-reporting period. The cost ~~reports~~ report used to complete these calculations ~~are those~~ is the interim settled cost report ending in the state fiscal year ending in the calendar year preceding the immediate past calendar year prior to January first of the calendar year to which the new capital rate shall apply. identified in paragraphs (C)(1) and (C)(2) of this rule.

- (1) ~~For hospitals with fiscal periods ending July thirty first, August thirty first, September thirtieth, October thirty first, or December thirty first, the cost report for the period ending in the calendar year preceding the calendar year which precedes the upcoming prospective rate period is used.~~
- (2) ~~For hospitals with fiscal periods ending March thirty first, May thirty first, or June thirtieth, the cost report for the period ending in the fiscal year preceding the upcoming rate period is used.~~

(D) Non-Ohio hospital capital reimbursement.

- (1) The average statewide capital cost is computed by summing total capital costs for all Ohio hospitals as described in paragraph (C) of this rule, divided by total discharges for all Ohio hospitals as described in paragraph (C)(2) of this rule.
- (2) The average statewide capital cost is updated annually using capital costs from

cost reports as described in paragraph (C) of this rule.

- (3) The amounts derived in paragraph (D)(1) of this rule will reflect a statewide average calculated to be in effect at the beginning of the prospective rate year and not subject to retrospective adjustments.

Effective: 01/27/2006

R.C. 119.032 review dates: 11/10/2005 and 01/01/2011

CERTIFIED ELECTRONICALLY

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Certification

01/17/2006

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Date

Promulgated Under: 119.03  
Statutory Authority: 5111.02  
Rule Amplifies: 5111.02  
Prior Effective Dates: 10/1/84, 7/4/85, 7/3/86, 10/19/87, 6/19/00