

**Rule Summary and Fiscal Analysis (Part A)****Department Of Job And Family Services**

Agency Name

**Division Of Medical Assistance**

Division

**Mary H Mynatt**

Contact

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**5101:3-2-21**

Rule Number

**AMENDMENT**

TYPE of rule filing

Rule Title/Tag Line

**Policies for outpatient hospital 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? **Yes**

Bill Number: **HB95**General Assembly: **125**Sponsor: **Calvert**

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: **5111.02**

5. Statute(s) the rule, as filed, amplifies or implements: **5111.02**

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

This rule is being proposed to implement the outpatient rate increase for general hospitals that are not children's hospitals as required by Am. Sub. HB 95, and to make other amendments required by the Health Insurance Portability and Accountabilty Act (HIPAA).

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:

This rule describes the outpatient payment rates and policies for hospitals that are subject to DRG prospective payment. This rule is being proposed to implement the outpatient rate increase for general hospitals that are not children's hospitals as required by Am. Sub. HB 95. Specifically, the increase will be implemented by increasing the outpatient surgery rates paid to general hospitals that are not children's hospitals. This rule is also being proposed to make amendments required by HIPAA. Specifically, for services provided on or after October 16, the rule is being amended to clarify that the appropriate occurrence code is still required on claims billed for canceled surgeries and Appendices D and F of the rule were amended to clarify policies and codes provided to replace local-level codes that were eliminated under HIPAA.

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: 7/1/2008

(If 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: At 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.

\$19.6 million

The amendment increases payments for outpatient services to general hospitals that are not children's hospitals. This estimate is based on expenditures over the 2004-2005 biennium, as required by Am. Sub. HB 95, and includes total funds (state and federal share).

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

Am. Sub. HB 95 fo the 125th General Assembly. Appropriation line item 600-525.

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:

This amendment will result in increased payments for outpatient services to general hospitals, that are not children's hospitals, by \$19.6 million over the 2004-2005 biennium. This estimate is based on analysis performed by the Department using hospital cost report and outpatient claims data. Additionally, the Department worked with the hospital industry to gather input regarding implementation of the hospital outpatient rate increase required by the budget.

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**