

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

Agency Name

Division Of Medical Assistance

Division

Beth Vogel

Contact

**30 East Broad St. 31st Floor Columbus OH
43215-3414**

Agency Mailing Address (Plus Zip)

614-466-4605

Phone

752-8298

Fax

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? **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: **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 amended in order to include non-Ohio hospitals subject to the DRG prospective payment system for hospital inpatient services in the prospective payment system for outpatient services. The purpose of this change is to reimburse out-of-state hospitals for outpatient services in a manner that is consistent with reimbursement for Ohio hospitals. Additional changes are being proposed to implement an annual update to delete from and add to procedure codes listed in Appendices C, F, and G to be consistent with federal industry standards.

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:

The rule describes policies for reimbursement of outpatient hospital services. The rule currently applies only to Ohio hospitals. This amendment would expand the rule to include out-of-state hospitals that are subject to the prospective payment system for inpatient services. Additional changes are made to refer providers to Chapter 5101:3-1 of the Administrative Code for claims submission rules, and to update Appendices C, F, and G to be consistent with federal industry standards.

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:

The proposed changes implement an annual update to delete from and add to the procedure codes listed in appendices C, F, and G of the rule to be consistent with federal industry standards. At the time the previous version of this rule was filed, the new codes had not yet been published.

12. 119.032 Rule Review Date: **10/7/2004**

(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 decrease expenditures.

\$4,308,000

In conjunction with proposed amendments to 5101:3-2-22 of the Administrative Code, the amendment is expected to decrease expenditures by \$8 million on an aggregate annual basis by moving most out-of-state hospitals to the outpatient prospective payment system for Ohio hospitals. The updates to the procedure codes in Appendices C, F, and G are estimated to have no budgetary impact.

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

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 provide non-Ohio hospitals with approximately \$8 million in reduced reimbursement per year. Additionally the amendment relieves hospitals from maintaining multiple coding systems by updating codes to be consistent with federal industry standards.

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**