

5160-2-05

Classification of hospitals.

Effective for services or discharges on or after July 1, 2017, hospitals shall be classified into mutually exclusive peer groups for purposes of setting rates and making payments under the "All Patient Refined-Diagnosis Related Group" (APR-DRG) inpatient prospective payment system, the "Enhanced Ambulatory Patient Grouping" (EAPG) outpatient prospective payment system or to those hospitals excluded from the prospective payment systems.

Unless otherwise referenced in this rule, rule 5160-2-07.2 of the Administrative Code applies only to inpatient claims for discharges occurring on or before June 30, 2017.

(A) Definitions.

- (1) "Critical access hospitals" (CAH) are those hospitals that are certified as a critical access hospital by the centers for medicare and medicaid services (CMS) and excluded from medicare prospective payment in accordance with 42 C.F.R. 400.202 effective October 1, 2016.
- (2) "Rural hospitals" are those hospitals located in counties that are not classified into a core based statistical area (CBSA) as designated in the inpatient prospective payment system (IPPS) case-mix and wage index table as published by CMS for the federal fiscal year beginning in the calendar year immediately preceding the effective date of the hospital rates. A copy of the medicare IPPS case-mix and wage index table by CMS certification number (CCN) is available on the department's website at medicaid.ohio.gov.
- (3) "Children's hospitals" are those hospitals that primarily serve patients eighteen years of age and younger and that are excluded from medicare prospective payment in accordance with 42 C.F.R. 412.23(d) effective October 1, 2016 or are registered with the Ohio department of health in accordance with section 3701.07 of the Revised Code. A children's hospital that has less than seventy-five beds and enrolled as a medicaid provider on or after January 1, 2011 shall:

 - (a) For the purposes of setting base rates, for inpatient services as described in 5160-2-65 of the Administrative Code and outpatient services as described in 5160-2-75 of the Administrative Code, be grouped into its natural urban or rural hospital peer group as described in (A)(2) or (A)(5) of this rule; and
 - (b) Receive any pricing considerations or differentials as if they were in the children's hospital peer group.
- (4) "Teaching hospitals" are those hospitals with a major teaching emphasis that have at least two hundred beds and have an intern-and resident-to-bed ratio of at least .35. For non-Ohio hospitals, only those hospitals classified by the Ohio department of medicaid (ODM) as teaching hospitals as of June 30,

2016 will be considered non-Ohio teaching hospitals.

- (5) "Urban hospitals" are those hospitals that are located in a CBSA as designated in the IPPS case-mix and wage index table as published by CMS for the federal fiscal year beginning in the calendar year immediately preceding the effective date of the hospital rates, and not otherwise defined in paragraphs (A)(1) to (A)(4) of this rule.
- (6) "Cancer hospitals" are those hospitals recognized by medicare that primarily treat neoplastic disease in accordance with 42 C.F.R. 412.23(f) effective October 1, 2016.
- (7) "Freestanding rehabilitation hospitals" are those hospitals in which the department of health and human services has determined to be excluded from medicare prospective payment in accordance with 42 C.F.R. 412.23(b) effective October 1, 2016.
- (8) "Freestanding long-term acute care hospitals" are those hospitals in which the department of health and human services has determined to be excluded from medicare prospective payment in accordance with 42 C.F.R. 412.23(e) effective October 1, 2016.
- (9) "Freestanding psychiatric hospitals" are those hospitals that are eligible to provide medicaid services as described in rule 5160-2-01 of the Administrative Code and are grouped into their natural peer group as defined in paragraphs (A)(1) to (A)(5) of this rule.
- (10) For the purposes of this rule, the "number of beds" is the total number of beds reported on the hospital's state fiscal year (SFY) 2014 Ohio medicaid hospital cost report (ODM 02930, rev. 06/14).
- (11) For the purposes of this rule, "interns and residents" is the net number of interns and residents reported on the hospital's SFY 2014 Ohio medicaid hospital cost report.

(B) Ohio hospital prospective payment peer groups.

- (1) Hospitals described in paragraphs (B)(1)(a) to (B)(1)(e) of this rule shall be paid on a prospective payment basis for inpatient services as described in rule 5160-2-65 of the Administrative Code and for outpatient services as described in rule 5160-2-75 of the Administrative Code.
 - (a) Critical access hospitals;
 - (b) Rural hospitals;
 - (c) Children's hospitals;

(d) Teaching hospitals;

(e) Urban hospitals, which are grouped based on geographical regions listed in the Appendix to this rule.

(2) Hospitals described in paragraphs (B)(2)(a) to (B)(2)(c) of this rule shall be paid in accordance with rule 5160-2-22 of the Administrative Code.

(a) Cancer hospitals;

(b) Rehabilitation hospitals;

(c) Long-term acute care hospitals.

(C) Reclassification of hospitals among peer groups.

Beginning January 1 of each rate year, for any hospital that has been determined to have been reclassified as designated in the IPPS case-mix and wage index table as published by CMS for the federal fiscal year beginning in the calendar year immediately preceding the effective date of the hospital rates, shall be reclassified into the corresponding Ohio hospital peer group. Such reclassification shall result in a discontinuation of any stop loss or stop gain provisions of the hospital's previous classification.

Effective:

Five Year Review (FYR) Dates:

Certification

Date

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