

Rule Summary and Fiscal Analysis

Part A - General Questions

Rule Number: 5160-2-05

Rule Type: Amendment

Rule Title/Tagline: Classification of hospitals.

Agency Name: Ohio Department of Medicaid

Division:

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I. Rule Summary

1. **Is this a five year rule review?** Yes
 - A. **What is the rule's five year review date?** 1/6/2023
2. **Is this rule the result of recent legislation?** No
3. **What statute is this rule being promulgated under?** 119.03
4. **What statute(s) grant rule writing authority?** 5164.02
5. **What statute(s) does the rule implement or amplify?** 5162.03, 5164.02, 5164.70
6. **Does the rule implement a federal law or rule in a manner that is more stringent or burdensome than the federal law or regulation requires?** No
 - A. **If so, what is the citation to the federal law or rule?** Not Applicable
7. **What are the reasons for proposing the rule?**

Rule 5160-2-05 is being proposed for amendment as part of the five year rule review process to clarify provisions, remove regulatory restrictions, and update language and citations.
8. **Summarize the rule's content, and if this is an amended rule, also summarize the rule's changes.**

Rule 5160-2-05, entitled "Classification of hospitals", sets forth the procedure of how hospitals paid 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 hospitals excluded from the prospective payment systems, are classified into mutually exclusive peer groups. Additionally, the rule defines Ohio hospital payment peer groups and explains how hospitals are paid and reassigned among peer groups. This rule is being amended as part of the five-year rule review process to clarify provisions, remove regulatory restrictions, and update language and citations.

9. **Does the rule incorporate material by reference? Yes**
10. **If the rule incorporates material by reference and the agency claims the material is exempt pursuant to R.C. 121.75, please explain the basis for the exemption and how an individual can find the referenced material.**

This rule incorporates one or more references to another rule or rules of the Ohio Administrative Code (OAC). This question is not applicable to any incorporation by reference to another OAC rule because such reference is exempt from compliance with RC 121.71 to 121.74 pursuant to RC 121.75(A)(1)(d).

This rule incorporates one or more dated references to the Code of Federal Regulations (CFR). This question is not applicable to any incorporation by reference to the CFR because such reference is exempt from compliance with RC 121.71 to 121.74 in accordance with RC 121.75(A)(2)(d).

This rule incorporates one or more references to the Medicare Inpatient Prospective Payment System Case-Mix and Wage Index table published by CMS. This cited material is generally available to persons affected by this rule via the ODM web site (medicaid.ohio.gov) in accordance with RC 121.75(B)(6).

11. **If revising or re-filing the rule, please indicate the changes made in the revised or re-filed version of the rule.**

This rule is being re-filed in order to add Appendix A to the rule package.

II. Fiscal Analysis

12. **Please estimate the increase / decrease in the agency's revenues or expenditures in the current biennium due to this rule.**

This will have no impact on revenues or expenditures.

0.00

There will be no impact to the Department's budget as a result of adopting this rule.

- 13. What are the estimated costs of compliance for all persons and/or organizations directly affected by the rule?**

There are no costs of compliance for hospitals affected by this rule.

- 14. Does the rule increase local government costs? (If yes, you must complete an RSFA Part B). No**

- 15. Does the rule regulate environmental protection? (If yes, you must complete an RSFA Part C). No**

- 16. If the rule imposes a regulation fee, explain how the fee directly relates to your agency's cost in regulating the individual or business.**

Not Applicable.

III. Common Sense Initiative (CSI) Questions

- 17. Was this rule filed with the Common Sense Initiative Office? No**

- 18. Does this rule have an adverse impact on business? No**

A. Does this rule require a license, permit, or any other prior authorization to engage in or operate a line of business? No

B. Does this rule impose a criminal penalty, a civil penalty, or another sanction, or create a cause of action, for failure to comply with its terms? No

C. Does this rule require specific expenditures or the report of information as a condition of compliance? No

D. Is it likely that the rule will directly reduce the revenue or increase the expenses of the lines of business of which it will apply or applies? No

IV. Regulatory Restriction Requirements under S.B. 9. Note: This section only applies to agencies described in R.C. 121.95(A).

19. Are you adding a new or removing an existing regulatory restriction as defined in R.C. 121.95? Yes

A. How many new regulatory restrictions do you propose adding to this rule? 0

B. How many existing regulatory restrictions do you propose removing from this rule? 15

5160-2-05 Introductory paragraph: removed "shall".

5160-2-05(A)(3)(a): removed "shall".

5160-2-05(A)(3)(b): removed "shall".

5160-2-05(B)(1): removed "shall".

5160-2-05(B)(2): removed "shall".

5160-2-05(C): removed "shall".

5160-2-05(C): removed "shall".

5160-2-05(D)(1)(a): removed "shall".

5160-2-05(D)(1)(a)(i): removed "shall".

5160-2-05(D)(1)(a)(ii): removed "shall".

5160-2-05(D)(1)(a)(iii): removed "shall".

5160-2-05(D)(1)(b): removed "shall".

5160-2-05(D)(2): removed "shall".

5160-2-05(D)(3): removed "shall".

5160-2-05(D)(4): removed "shall".

- C. If you are not removing existing regulatory restrictions from this rule, please list the rule number(s) from which you are removing restrictions.**
- D. Please justify the adoption of the new regulatory restriction(s).**

Not Applicable