

5160-2-66

Capital costs.

This rule outlines the calculation of capital payments for hospitals that are subject to the all patient refined diagnosis related groups (APR-DRG) prospective payment methodology, effective for dates of discharges occurring on or after July 1, 2017.

(A) For purposes of this rule, capital costs include the categories of costs recognized by medicare on the centers for medicare and medicaid services (CMS) CMS 2552-10 revised October 2012 and filed in accordance with CMS instructions, available at <http://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Paper-Based-Manuals.html> (revised September 2016).

(B) Capital-related costs for services provided by Ohio hospitals paid under prospective payment will be subject to prospective payment without subsequent settlement to actual capital costs.

(C) Annual update of interim capital payments.

(1) The calculation of interim capital payments resulting in the capital allowance identified in rule 5160-2-65 of the Administrative Code is based on the hospital's cost-reporting period.

On an annual basis, the interim capital payments will be redetermined by identifying eighty-five per cent of the capital-related costs reported on the ODM 02930, "Ohio Medicaid Hospital Cost Report"; 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 report used to complete these calculations 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.

(D) Non-Ohio hospital capital reimbursement.

(1) The average statewide capital cost is computed by summing, for all Ohio hospitals, the identified capital costs as described in paragraph (C) of this rule and multiplying that cost by the per cent of medicaid inpatient charges to total charges for all Ohio hospitals, and dividing by total discharges for all Ohio hospitals as described in paragraph (C) of this rule.

(2) The capital allowance for non-Ohio hospitals shall be eighty-five per cent of the amount calculated in paragraph (D)(1) of this rule.

(3) The average statewide capital cost is updated annually using capital costs from cost reports as described in paragraph (C) of this rule.

(4) The amounts derived in paragraph (D) 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.

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Certification

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Date

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