

Rule Summary and Fiscal Analysis

Part A - General Questions

Rule Number: 5160-2-66

Rule Type: Amendment

Rule Title/Tagline: Capital costs.

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?** 10/17/2023
2. **Is this rule the result of recent legislation?** Yes
 - A. **If so, what is the bill number, General Assembly and Sponsor?** HB 33 - 135 - Representative Edwards
3. **What statute is this rule being promulgated under?** 119.03
4. **What statute(s) grant rule writing authority?** 119.03
5. **What statute(s) does the rule implement or amplify?** 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?**

This rule is being proposed for amendment to update the current capital add-on rule. The amendment will update the calculation for the capital add-on for

Medicaid inpatient discharges. This amendment will update all date references and also complies with the five-year rule review process.

8. Summarize the rule's content, and if this is an amended rule, also summarize the rule's changes.

Ohio Administrative Code (OAC) Rule 5160-2-66, entitled "Capital Costs," is being proposed for amendment. This rule sets forth the methodology for inpatient hospital capital reimbursement for those hospitals subject to the "All Patient Refined-Diagnosis Related Groups" (APR-DRG) prospective payment methodology. This rule is being amended as part of the five-year rule review process and as part of a budget initiative to create a single combined capital add-on rate. The proposed amendment clarifies that both inpatient charges and total discharges submitted on the hospital's cost reports are used in the calculation of a single hospital-specific capital add-on rate. Each calculated hospital-specific capital add-on rate will be applied to claims for inpatient hospital services discharges on or after January 1, 2024. This rule also removes regulatory restrictions, updates language and citations, and updates all date references.

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 the OAC because such reference is exempt from compliance with R.C. 121.71 to 121.74 pursuant to R.C. 121.76(A)(3).

This rule incorporates one or more dated references to the Center for Medicare and Medicaid Services (CMS) form 2552-10. Each cited form is dated and is generally available to persons affected by this rule via <http://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Paper-Based-Manuals.html> (revised September 2013), in accordance with R.C. 121.75(E).

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

Not Applicable

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

The fiscal impact of this change is included in the fiscal impact for the amendment to OAC 5160-2-65.

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

There is no actual cost of compliance as a result of adopting 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? 2

Paragraph (C)(1) - removed the word "shall."

Paragraph (D)(2) - removed the word "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.

Not Applicable

- D. Please justify the adoption of the new regulatory restriction(s).

Not Applicable