

**Rule Summary and Fiscal Analysis (Part A)****Ohio Department of Medicaid**

Agency Name

**Tommi Potter**

Division

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**5160-2-67**

Rule Number

**AMENDMENT**

TYPE of rule filing

Rule Title/Tag Line

**Medical education.****RULE SUMMARY**

1. Is the rule being filed for five year review (FYR)? **No**
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: **5164.02, 5164.74**
5. Statute(s) the rule, as filed, amplifies or implements: **5162.03, 5164.02, 5164.74**
6. State the reason(s) for proposing (i.e., why are you filing,) this rule:

This rule is being proposed for amendment to clarify existing methodology that is used to calculate a hospital's total medical education add-on rate as well as to correct rule language to comply with rule-writing 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:

This rule sets forth the conditions in which a hospital subject to prospective payment can qualify for a medical education payment. In addition, this rule establishes methodology used to calculate a hospital's total medical education add-on rate. In the current version of the rule, the department was not explicit in explaining that a hospital's case-mix adjusted medical education add-on rate is further case-mix adjusted to account for diagnosis related groups and severity of illness (DRG/SOI) case-mix,

at the time of claim payment. The proposed change clarifies that a hospital's case-mix adjusted medical education add-on rate is multiplied by the relative weight of the claim's assigned DRG/SOI; this product is the claim's total medical education payment. This methodology of adjusting for the claim's assigned DRG/SOI case-mix is implicit in the DRG-based payment methodology that the department currently uses to reimburse hospitals subject to prospective payment for inpatient services. Also in the current version of the rule, the application of the payment neutrality adjustment is incorrectly stated. The payment neutrality adjustment is applied to the hospital's case-mix adjusted medical education add-on rate. Corrections were also made to ensure that this rule conforms to Legislative Service Commission (LSC) rule-writing standards, such as converting "&" to "and," as well as correcting terminology for better consistency.

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 rule incorporates one or more references to another rule or rules of the Ohio Administrative Code. This question is not applicable to any incorporation by reference to another OAC rule because such reference is exempt from compliance with Revised Code 121.71 to 121.74 pursuant to Revised Code 121.76(A)(3).

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 Revised Code 121.71 to 121.74 pursuant to Revised Code 121.75 (D).

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:

Not applicable.

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. If applicable, indicate each specific paragraph of the rule that has been modified:

*Not Applicable.*

12. Five Year Review (FYR) Date: **7/6/2022**

(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 have no impact on revenues or expenditures.

\$0

The medical education payment methodology that was used to determine the fiscal impact of the current version of this rule included the DRG/SOI case-mix adjustment and the application of the payment neutrality adjustment factor to a hospital's case-mix adjusted medical education add-on rate. Therefore, the proposed amendment of this rule will have no additional impact on expenditures in the current biennium.

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

ALI 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:

There is no cost of compliance to hospitals as this rule establishes the methodology the department uses to determine the medical education add-on rate for those hospitals that have medical education program.

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**

**S.B. 2 (129th General Assembly) Questions**

18. Has this rule been filed with the Common Sense Initiative Office pursuant to R.C. 121.82? **No**

19. Specific to this rule, answer the following:

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**