

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

Agency Name

Division

**Tommi Potter**

Contact

**50 Town St 4th floor Columbus OH 43218-2709**

Agency Mailing Address (Plus Zip)

**614-752-3877**

Phone

**614-995-1301**

Fax

**tommi.potter@medicaid.ohio.gov**

Email

**5160-2-67**

Rule Number

**NEW**

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? **Yes**Bill Number: **HB64**General Assembly: **131**Sponsor: **Rep. Ryan Smith**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 new rule is being proposed for adoption to replace the current medical education rule, Ohio Administrative Code rule 5160-2-07.7, which will be rescinded effective July 1, 2017. This rule is being proposed for adoption to fulfill recommendations from the Graduate Medical Education Study Committee that the department rebase medical education add-on rates. In addition, these updated medical education payment calculations result from recommendations by the department and the General Assembly to build appropriations established in Am.

Sub. H.B. 64 of the 131st General Assembly.

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 add-on payment. To qualify for a medical education add-on rate, Ohio hospitals must have an approved medical education program as defined in 42 CFR 415.152 effective as of October 1, 2016 and the costs of the approved medical program were reflected in their state fiscal year 2014 Ohio Medicaid hospital cost report (ODM 02930 rev. 6/2014). A hospital's medical education add-on rate is the sum of its case-mix adjusted direct graduate medical education costs and case-mix adjusted indirect graduate medical education costs. Medical education rates shall be subject to a payment neutrality adjustment of 59.7%. Hospitals that currently qualify for a medical education add-on payment shall be subject to a ten percent stop-loss/stop-gain provision, which mitigates large swings in payment. For hospitals that qualify for medical education payments, the medical education add-on rate is added to its payment for inpatient hospital services for dates of discharge on or after July 1, 2017.

In addition, this rule sets forth methodology to recognize graduate medical education programs that are approved outside of rebasing years. Hospitals with newly approved graduate medical education programs will qualify for graduate medical education add-on payments, which are based on statewide average direct graduate medical education and indirect graduate medical education payments.

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 response left blank because filer specified online that the rule does not incorporate a text or other material by reference.*

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:

*This response left blank because filer specified online that the rule does not incorporate a text or other material by reference.*

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:

(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 proposed rule has no effect in the current biennium. However, for the next biennium, the net impact is an increase of \$27 million in payments for hospitals with an approved medical education program.

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.

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**