

**FEDERAL MEDICAID NOTICE AND  
PUBLIC HEARING NOTICE  
OHIO DEPARTMENT OF JOB AND FAMILY SERVICES**

**Date: October 26, 2005**

**Time: 10:00 a.m.**

**Location: Room 3110B, Rhodes State Office Tower  
30 East Broad St., Columbus, Ohio 43215**

Pursuant to Section 5111.02 and Chapter 119. of the Ohio Revised Code, and 42 CFR 447.205 and Section 1902(a)(13)(A) of the Social Security Act, the director of the Ohio Department of Job and Family Services gives notice of the department's intent to consider the amendment of the rule as identified below and of a public hearing thereon.

Rule 5101:3-2-07.4, entitled Basic methodology for determining prospective payment rates, describes the methodology for determining prospective payment rates for inpatient hospital services and sets the annual inflationary update. It applies to hospitals subject to prospective payment for inpatient services. This rule is being proposed for amendment to incorporate reimbursement changes assumed in Am. Sub. H.B. 66, 126<sup>th</sup> General Assembly; to make some technical changes; and to replace the name DRI WEFA with Global Insight to reflect a corporate name change. In addition, the rule is being proposed for five-year review consistent with the requirements of the RC 119.032.

The proposed rule will provide for a 0.0 percent inflationary adjustment for the inpatient hospital adjusted average cost per discharge (base rate) and for the hospital-specific education allowance effective January 1, 2006 through December 31, 2007. That proposed change holds the base rate and the education allowance constant at the calendar year (CY) 2005 levels for the CY 2006 and CY 2007 rate years. Hospitals will receive the base rate and the education allowance they received for inpatient services as of December 31, 2005. Other components of the calculation used to determine the total Medicaid reimbursement for a hospital inpatient admission are being changed as a result of recent amendments to rules 5101:3-2-07.3 and 5101:3-2-07.9 of the Ohio Administrative Code (OAC). The amendments to rules 5101:3-2-07.3 and 5101:3-2-07.9 of the OAC will change the total amount hospitals will be paid in CY 2006 and CY 2007 relative to the total amount hospitals received for those services as of December 31, 2005. The rates that will result from this amendment (and the other rates involved in computing the total amount hospitals are reimbursed for inpatient services) are available upon request by calling the Hospital Unit of the Bureau of Health Plan Policy at 614-466-6420.

In recent years Ohio hospitals have reported increases in their costs that exceed various indices measuring reasonable cost growth. The non-provision of an inflationary adjustment for inpatient hospital base rates and education allowances is intended to help balance state resources among competing demands by constraining the rate of growth of inpatient hospital expenditures. The department believes that the resulting rates will be at a level sufficient to ensure access to quality care for Ohio's Medicaid consumers. The department estimates that the non-provision of rate updates for the base rate and education allowance in CY 2006 and CY 2007 will result in decreased spending on inpatient hospital services of \$38.4 million in CY 2006.

A copy of the proposed rule is available, without charge, to any person affected by the rule at the address listed below and at the county departments of job and family services. The rule is also available on the internet at <http://www.registerofohio.state.oh.us/>. A public hearing on the proposed

rule will be held at the date, time, and location listed at the top of this notice. Either written or oral testimony will be taken at the public hearing. Additionally, written comments submitted or postmarked no later than the date of the public hearing will be treated as testimony.

Requests for a copy of the proposed rule or comments on the rule should be submitted by mail to Ohio Department of Job and Family Services, Office of Legal Services, 30 East Broad Street, 31st Floor, Columbus, Ohio 43215-3414, by fax at (614) 752-8298, or by e-mail at [legal@odjfs.state.oh.us](mailto:legal@odjfs.state.oh.us). Comments received may be reviewed at that address.