

PUBLIC HEARING NOTICE
OHIO DEPARTMENT OF MEDICAID

DATE: May 22, 2017
TIME: 11:00 a.m.
LOCATION: Room A501, Lazarus Building
50 West Town Street, Columbus, OH 43215

Pursuant to section 5164.02 and Chapter 119. of the Ohio Revised Code, the Director of the Ohio Department of Medicaid (Department) gives notice of the Department's intent to adopt, amend, or rescind Ohio Administrative Code (OAC) rule 5160-2-65 and of a public hearing thereon.

Rule 5160-2-65, entitled **Inpatient hospital reimbursement**, is being proposed for amendment. This rule sets forth the Medicaid inpatient hospital reimbursement methodology for hospitals subject to prospective payment. The proposed rule will describe the providers eligible for inpatient hospital reimbursement and will update the relative weights, base rates and outlier policy that will be used to reimburse hospitals for inpatient services. The proposed amendments to this rule are intended to continue the reform and modernization of the inpatient hospital reimbursement methodology. The components used to calculate inpatient payments shall be updated by using more recent hospital claims data and hospital cost report data. The formula used to calculate inpatient payments will not change. The components which shall be updated include the base rates for all hospitals, the diagnosis related groups (DRG) relative weights and the outlier threshold amounts. The Department is also proposing to implement a coding adjustment to correct for increased coding specificity as result of the implementation of the International Classification of Diseases, Tenth Revision (ICD-10). In addition, hospitals shall receive separate reimbursement for long-acting reversible contraceptive (LARC) devices when provided during an inpatient hospitalization. Additionally, this proposal shall update and clarify the transfer provisions for admissions and discharges at free-standing psychiatric hospitals and distinct psychiatric units of a general hospital. Lastly, the Department recognizes that this rebasing project could produce large swings in an individual hospital's reimbursement. To prevent this from occurring, the update will provide a five percent stop loss/stop gain provision designed to prevent large swings (either up or down) in an individual hospital's reimbursement. These changes shall be effective for inpatient hospital discharges on or after the effective date of this rule.

A copy of the proposed rule is available, without charge, at the address listed below. 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. Both written and 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 and testimony on the rule should be submitted by mail to the Ohio Department of Medicaid Rule Administrator, Office of Legal Counsel, 50 West Town Street, Suite 400, Columbus, Ohio 43215-3414, by fax at (614) 995-1301, or by e-mail at rules@medicaid.ohio.gov. Testimony received may be reviewed

at the 50 West Town Street address.