

**MEMORANDUM**

TO: Aniko Nagy, Ohio Bureau of Workers' Compensation

FROM: Emily Kaylor, Director of Regulatory Policy

DATE: November 16, 2017

RE: **CSI Review – Inpatient Hospital Fee Schedule (OAC 4123-6-37.1)**

On behalf of Lt. Governor Mary Taylor, and pursuant to the authority granted to the Common Sense Initiative (CSI) Office under Ohio Revised Code (ORC) section 107.54, the CSI Office has reviewed the abovementioned administrative rule package and associated Business Impact Analysis (BIA). This memo represents the CSI Office's comments to the Agency as provided for in ORC 107.54.

Analysis

This rule package consists of one amended rule proposed by the Ohio Bureau of Workers' Compensation (BWC). The rule package was submitted to the CSI Office on October 25, 2017, and the comment period remained open until November 13, 2017. No comments were received during this time.

The proposed rule and its appendix establish the reimbursement fees to be paid by BWC to providers of inpatient hospital services for injured workers. This fee schedule is being updated to align with a finalized Medicare rule, modify the payment adjustment factor, and adopt an optional per diem reimbursement rate for opioid detox services. BWC explains in the BIA that the amendments are proposed based on Medicare's inpatient prospective payment system and BWC's historical claims data.

The rule impacts hospitals that provide inpatient care to injured workers and self-insuring employers. Potential adverse impacts of the rules include the time and expense necessary for providers and employers to implement any changes needed to remain in compliance with the rule. It is estimated that these changes should take less than 10 hours of programming time to comply. BWC indicated in the BIA that these adverse impacts are justified because BWC is responsible for implementing rules to effectively establish fees to be paid by BWC to providers of inpatient

services. The intent of this requirement is to ensure that Ohio's injured workers have consistent access to quality healthcare. Appropriate and timely reviews of fee schedules lead to relevant modifications being made, which creates a competitive reimbursement level for these services.

BWC presented the proposed rules to stakeholders and sought comments, during which one stakeholder provided suggestions. BWC provided a grid of those suggestions and their response attached to the BIA. For each of the stakeholder's concerns, BWC provided a justification as to why they felt no rule change was necessary. No comments were submitted during the CSI public comment period.

Recommendations

For the reasons discussed above, the CSI Office does not have any recommendations for this rule package.

Conclusion

Based on the above comments, the CSI Office concludes that the Ohio Bureau of Workers' Compensation should proceed with the formal filing of this rule package with the Joint Committee on Agency Rule Review.