

**MEMORANDUM**

**TO:** Aniko Nagy, Ohio Bureau of Workers' Compensation

**FROM:** Christopher Smyke, Regulatory Policy Advocate

**DATE:** November 16, 2018

**RE:** **CSI Review – Payment of Hospital Inpatient Services (OAC 4123-6-37.1)**

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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 22, 2018 and the comment period remained open until November 12, 2018. No comments were received during this time.

Ohio Administrative Code (OAC) 4123-6-37.1 and its appendix outline BWC payments to providers of inpatient hospital services for injured workers. Changes to the rule include updates to adopt the Medicare final rule for 2019 and to modify the current Payment Adjustment Factor to reflect the statewide reimbursement to cost benchmark. In addition, the amended rule includes a "lesser of" provision for services paid under the per diem methodology for hospital inpatient opioid detoxification services.

BWC sought feedback to the amended rule by posting the rule online for public comment and contacting stakeholders via email, including Managed Care Organizations, employer organizations, and the Ohio Association for Justice. In addition, BWC contacted stakeholder through internal stakeholder lists for medical providers, employers, and Third Party Administrators. During early stakeholder outreach, BWC received a comment of support from the Ohio Hospital Association, and a suggestion from Mitchell International to publish a document

with additional details regarding direct graduate medical education. BWC responded that it would update its current publications with the requested information. No feedback was received during the CSI public comment period

The proposed rule affects hospitals which provide inpatient services to injured workers, as well as self-insured employers. The adverse impact includes the administrative time to implement changes to the fee schedule, which BWC estimates at less than 10 hours of programming time. The BIA notes that since the methodology is based on Medicare's Inpatient Prospective Payment System, it is necessary to update the rule each year.

Following review of the draft rule and BIA, the CSI Office has determined the purpose of the rule is justified.

### **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.

cc: Emily Kaylor, Lt. Governor's Office