



Common Sense Initiative

Mike DeWine, *Governor*
Jon Husted, *Lt. Governor*

Joseph Baker, *Director*

MEMORANDUM

TO: Pete Mihaly, Ohio Bureau of Workers' Compensation

FROM: Caleb White, Business Advocate

DATE: November 17, 2023

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

On behalf of Lt. Governor Jon Husted, 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 Bureau 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). This rule package was submitted to the CSI Office on October 11, 2023, and the public comment period was held open through October 25, 2023. Unless otherwise noted below, this recommendation reflects the version of the proposed rule filed with the CSI Office on October 11, 2023.

Ohio Administrative Code (OAC) 1423-6-37.1 establishes the fees paid by the BWC to the providers of inpatient hospital services for care provided to injured workers. This rule also includes an appendix which provides the hospital inpatient detoxification services per diem and the revenue codes for various inpatient services. This rule is amended to reflect changes to the Medicare Inpatient Prospective Payment System related to inflation and performance adjustments and to increase the BWC payment adjustment factor from 113 percent of the Medicare rate to 118.1 percent of the Medicare rate. The rule is also amended to modify provisions relating to Medicare's Hospital Inpatient Prospective Payment System to exclude certain provisions the BWC elects not to adopt.

During early stakeholder outreach, the BWC posted the proposed rule on its website for a two-week

77 SOUTH HIGH STREET | 30TH FLOOR | COLUMBUS, OHIO 43215-6117

CSIPublicComments@governor.ohio.gov

public comment period beginning on July 31, 2023. The BWC also sent a notice of this comment period to its lists of Managed Care Organizations medical providers, employer organizations self-insured employers, and third-party administrators, as well as to the Ohio Association for Justice. In addition to this outreach, the BWC also presented an overview of the fee schedule proposed in this rule to the Director of Health Economics and Policy at the Ohio Hospital Association. The BWC received one letter of support from the Ohio Hospital Association in response to this outreach. No comments were received during the CSI public comment period.

The business community impacted by this rule includes hospitals which provide inpatient care to injured workers and self-insured employers administering the program. The adverse impact created by this rule is the time spent implementing the fee schedule changes, which the BWC estimates will take hospitals and employers less than ten hours to implement. The BWC states that the adverse impact to business is justified to fulfill the statutory requirement to adopt annual rule changes to its schedule fees and to ensure Ohio's injured workers have access to quality health care.

Recommendations

Based on the information above, the CSI Office has no recommendations on this rule package.

Conclusion

The CSI Office concludes that the BWC should proceed in filing the proposed rule with the Joint Committee on Agency Rule Review.