

Rule Summary and Fiscal Analysis

Part A - General Questions

Rule Number: 5160-2-60

Rule Type: Amendment

Rule Title/Tagline: Hospital cost coverage add-on.

Agency Name: Ohio Department of Medicaid

Division:

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I. Rule Summary

1. Is this a five year rule review? No
 - A. What is the rule's five year review date? 1/1/2025
2. Is this rule the result of recent legislation? No
3. What statute is this rule being promulgated under? 119.03
4. What statute(s) grant rule writing authority? 5164.02
5. What statute(s) does the rule implement or amplify? 5162.03, 5164.02
6. Does the rule implement a federal law or rule in a manner that is more stringent or burdensome than the federal law or regulation requires? No
 - A. If so, what is the citation to the federal law or rule? Not Applicable
7. What are the reasons for proposing the rule?

OAC rule 5160-2-60, entitled Hospital cost coverage add-on, is being proposed for amendment. This rule is being amended to update the cost coverage add-on policy to align with policy updates being made to OAC 5160-2-75 and to remove language that no longer applies.

8. Summarize the rule's content, and if this is an amended rule, also summarize the rule's changes.

OAC rule 5160-2-60 sets for the methodology with which hospitals receive a cost coverage add-on amount, which is case-mix adjusted. For hospitals paid under the "All Patient Refined-Diagnosis Related Group" (APR-DRG) inpatient prospective payment system and the "Enhanced Ambulatory Patient Grouping" (EAPG) outpatient prospective payment system the cost coverage add-on is added as a component to a hospital's payment for each inpatient discharge or outpatient service on or after the effective date of the rule. For those hospitals excluded from the prospective payment systems, the cost coverage add-on will be a percentage added to their prospective inpatient and outpatient cost-to-charge ratios. The methodology in this rule does not apply to the Medicaid maximum allowed amount calculation described in OAC 5160-2-25.

The Department is proposing to remove language pertaining to Psychiatric Emergency Departments (PED) since the only hospital to qualify as having a PED has since closed and no other hospital meets the definition of having a PED. Additionally, we are proposing to remove references to Outpatient Hospital Behavioral Health (OPHBH) visits since the Department will be reimbursing behavioral health services performed in an outpatient setting under 3M's EAPG reimbursement methodology. Lastly, the proposed rule will update data point references to the ODM 02930 Hospital Cost Report and the rule itself.

9. Does the rule incorporate material by reference? Yes

10. If the rule incorporates material by reference and the agency claims the material is exempt pursuant to R.C. 121.75, please explain the basis for the exemption and how an individual can find the referenced material.

This rule incorporates one or more references to another rule or rules of the Ohio Administrative Code (OAC). This question is not applicable to any incorporation by reference to the OAC because such reference is exempt from compliance with R.C. 121.71 to 121.74 pursuant to R.C. 121.76(A)(3).

This rule incorporates one or more dated references to the Center for Medicare and Medicaid Services (CMS) form 2552-10. Each cited form is dated and is generally available to persons affected by this rule via

<http://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Paper-BasedManuals.html> (revised September 2013), in accordance with R.C. 121.75(E).

The rule incorporates one or more references to uncodified statutes. This question is not applicable to any incorporation by reference to uncodified statutes because such reference is exempt from compliance with RC 121.71 to 121.74 in accordance with RC 121.75(A)(1)(b).

- 11. If revising or re-filing the rule, please indicate the changes made in the revised or re-filed version of the rule.**

Not Applicable

II. Fiscal Analysis

- 12. Please estimate the increase / decrease in the agency's revenues or expenditures in the current biennium due to this rule.**

This will have no impact on revenues or expenditures.

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Not Applicable.

- 13. What are the estimated costs of compliance for all persons and/or organizations directly affected by the rule?**

Not Applicable.

- 14. Does the rule increase local government costs? (If yes, you must complete an RSFA Part B). No**

- 15. Does the rule regulate environmental protection? (If yes, you must complete an RSFA Part C). No**

- 16. If the rule imposes a regulation fee, explain how the fee directly relates to your agency's cost in regulating the individual or business.**

Not Applicable.

III. Common Sense Initiative (CSI) Questions

- 17. Was this rule filed with the Common Sense Initiative Office? No**

- 18. Does this rule have an adverse impact on business? No**

- A. Does this rule require a license, permit, or any other prior authorization to engage in or operate a line of business? No
- B. Does this rule impose a criminal penalty, a civil penalty, or another sanction, or create a cause of action, for failure to comply with its terms? No
- C. Does this rule require specific expenditures or the report of information as a condition of compliance? No
- D. Is it likely that the rule will directly reduce the revenue or increase the expenses of the lines of business of which it will apply or applies? No

IV. Regulatory Restriction Requirements under S.B. 9. Note: This section only applies to agencies described in R.C. 121.95(A).

19. Are you adding a new or removing an existing regulatory restriction as defined in R.C. 121.95? No

- A. How many new regulatory restrictions do you propose adding to this rule?

Not Applicable

- B. How many existing regulatory restrictions do you propose removing from this rule?

Not Applicable

- C. If you are not removing existing regulatory restrictions from this rule, please list the rule number(s) from which you are removing restrictions.

Not Applicable

- D. Please justify the adoption of the new regulatory restriction(s).

Not Applicable