

**MEMORANDUM**

TO: Tom Sico, Bureau of Workers' Compensation

FROM: Paula Steele, Regulatory Policy Advocate

DATE: November 17, 2014

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 Bureau of Workers' Compensation (BWC) draft rule and is being submitted as a five-year review as required by statute. The proposed rule establishes the methodology for determining fees paid by the Bureau to providers of inpatient hospital services for injured workers. This rule package was filed with the CSI Office on October 15, 2014 with a public comment period ending on November 16, 2014. No public comments were received during the public comment period.

The CSI Office has reviewed the proposed rule annually since 2012 and concluded each year that the Bureau should proceed with the formal filing of the rule with the Joint Committee on Agency Rule Review (JCARR). Last year's review, however, also included a recommendation that the Bureau formulate a timeline and document a plan to explore with stakeholders alternative methodologies for determining hospital costs. Based upon the early stakeholder comments and feedback received by the CSI Office, the Bureau has been working collaboratively with stakeholders to find the most practical methodology for determining fees for providers of inpatient hospital services. Through these efforts, the rule as submitted to the CSI Office was

agreed upon as satisfactory by the Ohio Hospital Association and the Bureau. Accordingly, both parties agreed to continue their collaborative efforts in deliberating future methodologies for determining fees while meeting the fiscal requirements of the Bureau and the providers to ensure quality care for injured workers.

After reviewing the proposed rule and the associated BIA, the CSI Office has determined that the rule satisfactorily meets the standards espoused by the CSI Office, and the purpose of the rule is justified.

Recommendations

For the reasons described above, the CSI Office has no recommendations for this rule package.

Conclusion

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

Cc: Stephen Buehrer, Administrator/CEO, Ohio Bureau of Workers' Compensation
Mark Hamlin, Lt. Governor's Office