



Common Sense Initiative

Mike DeWine, Governor
Jon Husted, Lt. Governor

Carrie Kuruc, Director

MEMORANDUM

TO: Tommi Potter, Ohio Department of Medicaid

FROM: Jacob Ritzenthaler, Regulatory Policy Advocate

DATE: April 2, 2021

RE: **CSI Review – Hospital Cost Coverage Add-On (OAC 5160-2-60)**

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 Department as provided for in ORC 107.54.

Analysis

This rule package consists of one amended rule proposed by the Ohio Department of Medicaid (ODM). This rule package was submitted to the CSI Office on March 3, 2021, and the public comment period was held open through March 10, 2021. Unless otherwise noted below, this recommendation reflects the version of the proposed rule filed with the CSI Office on March 3, 2021.

Ohio Administrative Code 5160-2-60 establishes the Hospital Cost Coverage Add-On payment methodology. The add-on is an additional payment added onto payments made to a hospital through the All Patient Refined-Diagnosis Related Group inpatient prospective payment system and the Enhanced Ambulatory Patient Grouping outpatient prospective payment system, as well as hospitals excluded from those systems. The rule includes defined terms, calculation source data, and descriptions of the cost coverage for various inpatient and outpatient groups. The rule is amended to allow ODM to make short-term increases or decreases to hospital-specific rates in the interest of fully expending funds. The rule is also amended to include the definition of "Total Outpatient Hospital Behavioral Health (OPHBH) Visits" and clarify that OPHBH visits are not

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included in the scope of “Total Medicaid Outpatient Visits.”

During early stakeholder outreach, ODM reviewed the proposed rule with the Ohio Hospital Association (OHA), which includes member hospitals from across the state. Stakeholders supported separating OPHBH from typical outpatient visits, as they are not similarly reimbursed. During the CSI public comment period, one comment was received from the OHA which supported the proposed changes.

The business community impacted by the rule includes all hospitals in Ohio. The adverse impact created by the rule is primarily any possible payment reductions that could occur due to adjustments made by ODM to stay within the funding appropriation constraints. ODM states in the BIA that the rule is necessary to provide hospitals with additional payments that ensure adequate access for Medicaid recipients.

Recommendations

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

Conclusion

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