



Common Sense Initiative

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

Joseph Baker, *Director*

MEMORANDUM

TO: Eva Dixon, Ohio Bureau of Workers' Compensation

FROM: Jacob Ritzenthaler, Business Advocate

DATE: October 31, 2024

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) as part of the statutorily required five-year review process. This rule package was submitted to the CSI Office on October 9, 2024, and the public comment period was held open through October 23, 2024. Unless otherwise noted below, this recommendation reflects the version of the proposed rule filed with the CSI Office on September 9, 2024.

Ohio Administrative Code 4123-6-37.1 establishes requirements concerning the payment of hospital inpatient services provided to injured workers. The rule is amended to adopt the 2025 Medicare Inpatient Prospective Payment System updates, including increases to the market basket and program adjustments, as well as adopting a BWC payment adjustment factor of 121% of the Medicare rate.

During early stakeholder outreach, BWC sent the proposed rule to industry stakeholders for feedback, including managed care organizations, BWC's Medical Services Division medical provider stakeholder list, BWC's Self-Insured Division employer distribution list, the Health Care Quality Assurance Advisory Committee, the Ohio Association for Justice, the Council of Smaller Enterprises, the Ohio Manufacturers' Association, the National Federation of Independent Business, and the Ohio Chamber of Commerce. During that time, BWC received comments from three stakeholders that

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supported the adoption of the proposed rule. No comments were received during the CSI public comment period.

The business community impacted by the rule includes all hospitals that provide inpatient care to injured workers and self-insured employers. The adverse impact created by the rule is primarily compliance with requirements for implementing annual updates to the fee schedule into current practices. BWC estimates that incorporating these updates will take businesses less than ten hours. BWC states that the adverse impact created by the rule is necessary to create a competitive reimbursement level for hospital outpatient services, which maintains injured workers' access to quality care.

Recommendations

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

Conclusion

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