



## **Hospital Handbook Transmittal Letter (HHTL) 3352-17-10**

**Published on July 21, 2017**

**TO: All Hospital Providers  
Directors, County Departments of Job and Family Services**

**FROM: Barbara R. Sears, Director**

**SUBJECT: Outpatient Hospital Reimbursement on or after August 1, 2017**

### **Summary**

This Hospital Handbook Transmittal Letter (HHTL) provides information pertaining to the revisions to payment policies for outpatient hospital services.

Rule 5160-2-21, entitled Reimbursement for services provided in an outpatient hospital setting has been rescinded. This rule defined the payment methodology for outpatient hospital reimbursement. The provisions of this rule were incorporated into a new Ohio Administrative Code (OAC) rule 5160-2-75. This rule was rescinded August 1, 2017.

Rule 5160-2-75, entitled Outpatient hospital reimbursement, has been adopted and replaces OAC rule 5160-2-21. This rule sets forth the reimbursement methodology for hospital outpatient services. The rule implements the Enhanced Ambulatory Patient Grouper (EAPG) methodology for the reimbursement of outpatient hospital services occurring on or after the August 1, 2017. The rule describes how an outpatient claim will be reimbursed including the methodology used to establish the relative weights and hospital base rates. A summary of the policy changes is provided below.

### **Enhanced Ambulatory Patient Grouping system**

The EAPG is developed and is maintained by 3M Health Information Systems. EAPG is a classification system that groups outpatient claims based on services performed and resource intensity.

### **Relative Weight Database**

The Department is using a database of recent paid claims (dates of service between 1/1/2012 and 12/31/2014) as the basis for changing payment methodology. The database consists of outpatient fee-for-service claims, health plan encounters, and related Medicaid hospital cost reports.

### **Payment Calculation**

The final payment to a hospital is the product of the following for each detail line:

- a) Hospital specific base rate adjusted for risk corridor times;

- b) EAPG relative weight for which the service was assigned by the EAPG grouper times, rounded to the nearest whole cent.
- c) Multiply the product of “b” by the applicable discounting factor(s) as defined in paragraph (A)(4) of this rule;
- d) Rounded to the nearest whole cent.

Reimbursement for select outpatient hospital services may be paid outside of EAPG during an interim period. Items that may be paid outside of EAPG include dental services, observation services, durable medical equipment, pharmaceuticals, independently billed services and vaccines for children.

In addition, the Department has expanded the behavioral health (BH) services that are reimbursable when provided by an outpatient hospital. In order to receive payments for outpatient BH services in accordance with paragraph (G)(2), hospitals must meet the Medicare conditions of participation, have accreditation by a national accrediting body and have accreditation for the BH services they provide. BH services described in paragraph (G)(2) will be reimbursed outside of EAPG during an interim period.

### **Access to Rules and Related Material**

Stakeholders who want to receive notification when ODM original or final files a rule package may visit JCARR’s RuleWatch at [www.rulewatchohio.gov](http://www.rulewatchohio.gov) where an account can be created to be notified of rule actions by rule number or department.

Stakeholders can subscribe to receive notification when a clearance or BIA is posted for public comment on the Ohio Business Gateway here:  
<http://business.ohio.gov/reform/enotify/subscription.aspx>

The main web page of the ODM includes links to valuable information about its services and programs; the address is <http://medicaid.ohio.gov/>.

To access ODM Fee Schedule and Rates, go to [medicaid.ohio.gov](http://medicaid.ohio.gov) > Providers > Fee Schedule and Rates > Click “I Agree”:

### **Additional Information**

Questions pertaining to this letter should be addressed to:

hospital\_policy@medicaid.ohio.gov

or

Ohio Department of Medicaid  
Bureau of Health Plan Policy  
Hospital Services  
P.O. Box 182709  
Columbus, OH 43218-2709  
Telephone (800) 686-1516

