



Ohio Implements DRG payment Methodology Jurisdictional Adjustment Update

State/Line of Business: Ohio Workers' Compensation

Effective Date: October 1, 2006

How the Changes Affect Customers:

- Managed Care Organizations (MCO) in Ohio will be required to pay providers the Diagnosis Related Grouping (DRG) rates provided by the Ohio Bureau of Workers' Compensation (BWC).
- MCOs will be required to submit additional data to the Ohio BWC for re-pricing purposes.
- Self insured employers have the option of using this payment methodology, but it is not required.
- Self insured employers will continue to pay contracted rates, current cost to charge ratios, or DRG rates.

Estimated Impact on Savings:

Intracorp is in the process of researching which methodology will have the greater impact on savings for our self insured customers and will utilize the appropriate methodology accordingly.

Statutes or regulations adjusted:

Ohio Billing Reimbursement Manual Chapter 3.B. (1-11).

Description of the adjustments:

- BWC implementing DRG based payment system.
- New payment system is mandatory for the MCOs.
- New payment system is optional for the self insured employers.
- DRG payment is based on Medicare methodology and payments plus 15%.
- BWC will not publish DRG reimbursement rates because each calculation is unique.
- BWC will no longer publish the inpatient hospital fee schedule.
- BWC will continue to publish reimbursement cost-to-charge ratios and percentages.