

As Introduced

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Representatives Boose, Balderson

**Cosponsors: Representatives Burke, Sears, Evans, Wagner, Stebelton,
Adams, J., Martin, Mecklenborg, Grossman, Combs, Huffman, Bacon,
Derickson, Wachtmann, Gardner, McClain, Jordan, Hottinger**

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A B I L L

To amend sections 5112.40, 5112.41, and 5112.46 of
the Revised Code to revise the law governing
hospital assessments and to provide that the
provisions of this act terminate on October 1,
2011, when sections 5112.40, 5112.41, and 5112.46
of the Revised Code are repealed on that date.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:

Section 1. That sections 5112.40, 5112.41, and 5112.46 of the
Revised Code be amended to read as follows:

Sec. 5112.40. As used in sections 5112.40 to 5112.48 of the
Revised Code:

(A) "Assessment program year" means the twelve-month period
beginning the first day of October of a calendar year and ending
the last day of September of the following calendar year.

(B) "Cost reporting period" means the period of time used by
a hospital in reporting costs for purposes of the medicare
program.

(C) "Federal fiscal year" means the twelve-month period 17
beginning the first day of October of a calendar year and ending 18
the last day of September of the following calendar year. 19

(D)(1) Except as provided in division (D)(2) of this section, 20
"hospital" means a hospital to which any of the following applies: 21

(a) The hospital is registered under section 3701.07 of the 22
Revised Code as a general medical and surgical hospital or a 23
pediatric general hospital and provides inpatient hospital 24
services, as defined in 42 C.F.R. 440.10. 25

(b) The hospital is recognized under the medicare program as 26
a cancer hospital and is exempt from the medicare prospective 27
payment system. 28

(c) The hospital is a psychiatric hospital licensed under 29
section 5119.20 of the Revised Code. 30

(2) "Hospital" does not include either of the following: 31

(a) A federal hospital; 32

(b) A hospital that does not charge any of its patients for 33
its services. 34

(E) "Hospital care assurance program" means the program 35
established under sections 5112.01 to 5112.21 of the Revised Code. 36

(F) "Medicaid" has the same meaning as in section 5111.01 of 37
the Revised Code. 38

(G) "Medicare" means the program established under Title 39
XVIII of the Social Security Act. 40

(H) "State fiscal year" means the twelve-month period 41
beginning the first day of July of a calendar year and ending the 42
last day of June of the following calendar year. 43

(I)(1) Except as provided in divisions (I)(2) and (3) of this 44
section, "total facility costs" means the total costs to a 45

hospital for all care provided to all patients, including the 46
direct, indirect, and overhead costs to the hospital of all 47
services, supplies, equipment, and capital related to the care of 48
patients, regardless of whether patients are enrolled in a health 49
insuring corporation. 50

(2) "Total facility costs" excludes all of the following of a 51
hospital's costs as shown on the cost-reporting data used for 52
purposes of determining the hospital's assessment under section 53
5112.41 of the Revised Code: 54

(a) Skilled nursing services provided in distinct-part 55
nursing facility units; 56

(b) Home health services; 57

(c) Hospice services; 58

(d) Ambulance services; 59

(e) Renting durable medical equipment; 60

(f) Selling durable medical equipment; 61

(g) Uncompensated care, as defined in section 5112.01 of the 62
Revised Code, provided to uninsured patients; 63

(h) Services provided to medicare beneficiaries. 64

(3) "Total facility costs" excludes any costs excluded from a 65
hospital's total facility costs pursuant to rules, if any, adopted 66
under division (B) of section 5112.46 of the Revised Code. 67

Sec. 5112.41. (A) For the purposes specified in section 68
5112.45 of the Revised Code and subject to section 5112.48 of the 69
Revised Code, there is hereby imposed an assessment on all 70
hospitals each assessment program year. The amount of a hospital's 71
assessment for an assessment program year shall equal, ~~except as~~ 72
~~provided in division (D) of this section,~~ the percentage specified 73
~~in~~ established under division ~~(B)~~(C) of this section of the 74

hospital's total facility costs for the period of time specified 75
in division ~~(C)~~(B) of this section. The amount of a hospital's 76
total facility costs shall be derived from cost-reporting data for 77
the hospital submitted to the department of job and family 78
services for purposes of the hospital care assurance program. The 79
cost-reporting data used to determine a hospital's assessment is 80
subject to the same type of adjustments made to the data under the 81
hospital care assurance program. 82

~~(B)~~ The percentage specified in this division is the 83
following: 84

~~(1)~~ For the first assessment program year beginning after the 85
effective date of this section, one and fifty two hundredths per 86
cent: 87

~~(2)~~ Subject to division (D) of this section, for the second 88
assessment program year after the effective date of this section 89
and each successive assessment program year, one and sixty one 90
hundredths per cent. 91

~~(C)~~ The period of time specified in this division is the 92
hospital's cost reporting period that ends in the state fiscal 93
year that ends in the federal fiscal year that precedes the 94
federal fiscal year that precedes the assessment program year for 95
which the assessment is imposed. 96

~~(D)~~(C) The department of job and family services shall apply 97
to the United States secretary of health and human services for a 98
waiver under 42 U.S.C. 1396b(w)(3)(E) to establish, ~~for the second~~ 99
~~assessment program year after the effective date of this section~~ 100
~~and each successive assessment program year, a tiered percentages~~ 101
to be used under this section for the assessment on hospitals' 102
total facility costs instead of applying the percentage specified 103
in division (B)(2) of this section. The highest percentage shall 104
not exceed one and one-half per cent. If the United States 105

secretary denies the waiver, the department shall ~~apply the~~ 106
~~establish a uniform percentage specified in division (B)(2) of~~ 107
~~this section for the second assessment program year after the~~ 108
~~effective date of this section and each successive~~ to be used for 109
the assessment program year. The percentage shall not exceed one 110
and one-half per cent. 111

~~(E)(D)~~ The assessment imposed by this section on a hospital 112
is in addition to the assessment imposed by section 5112.06 of the 113
Revised Code. 114

Sec. 5112.46. (A) The director of job and family services may 115
adopt, amend, and rescind rules in accordance with Chapter 119. of 116
the Revised Code as necessary to implement sections 5112.40 to 117
5112.48 of the Revised Code. 118

(B) The rules adopted under this section may provide that a 119
hospital's total facility costs for the purpose of the assessment 120
under section 5112.41 of the Revised Code exclude any of the 121
following: 122

(1) A hospital's costs associated with providing care to 123
recipients of any of the following: 124

(a) The medicaid program; 125

(b) ~~The medicare program;~~ 126

~~(e)~~ The disability financial assistance program established 127
under Chapter 5115. of the Revised Code; 128

~~(d)(c)~~ The program for medically handicapped children 129
established under section 3701.023 of the Revised Code; 130

~~(e)(d)~~ Services provided under the maternal and child health 131
services block grant established under Title V of the Social 132
Security Act. 133

(2) Any other category of hospital costs the director deems 134

appropriate under federal law and regulations governing the 135
medicaid program. 136

Section 2. That existing sections 5112.40, 5112.41, and 137
5112.46 of the Revised Code are hereby repealed. 138

Section 3. The amendment of sections 5112.40, 5112.41, and 139
5112.46 of the Revised Code is not intended to supersede the 140
earlier repeal, with delayed effective date, of those sections. 141

Section 4. Sections 5112.40, 5112.41, and 5112.46 of the 142
Revised Code, as amended by this act, shall take effect October 1, 143
2010. 144