



Ohio Administrative Code Rule 5160-2-75 Outpatient hospital reimbursement.

Effective: February 9, 2026

For the purposes of this rule, eligible providers of hospital services, as defined in rule 5160-2-01 of the Administrative Code, and assigned to prospective payment peer groups as defined in rule 5160-2-05 of the Administrative Code, are subject to the enhanced ambulatory patient grouping (EAPG) system. This is a prospective payment methodology utilized by the Ohio department of Medicaid (ODM) as described in this rule.

(A) The following definitions are applicable to Chapter 5160-2 of the Administrative Code:

- (1) "Enhanced ambulatory patient grouping (EAPG)" is a group of outpatient procedures, encounters, or ancillary services, that reflect similar patient characteristics and resource utilization. This grouping incorporates the use of international classification of diseases (ICD) diagnosis codes, current procedural terminology (CPT) codes, and healthcare common procedure coding system (HCPCS) procedure codes.
- (2) "EAPG grouper" is the software provided by "Solventum" to group outpatient claims based on services performed and resource intensity.
- (3) "Default EAPG settings" are the default EAPG grouper options in "Solventum" core grouping software for each EAPG grouper version.
- (4) "Discounting factor" is a factor applicable for multiple significant procedures or repeated ancillary services designated by default EAPG settings, or both. The appropriate percentage (fifty or one hundred per cent) will be applied to the highest weighted of the multiple procedures or ancillary services payment group.
 - (a) "Full payment" is the EAPG payment with no applicable discounting factor.
 - (b) "Consolidation factor" is a factor of zero per cent applicable for services designated with the



same procedure consolidation flag or clinical procedure consolidation flag by the EAPG grouper under default EAPG settings.

(c) "Packaging factor" is a factor of zero per cent applicable for services designated with a packaging flag by the EAPG grouper under default EAPG settings.

(5) "EAPG base rate" is the dollar value that will be multiplied by the final EAPG weight for each EAPG on a claim to determine the total allowable medicaid payment.

(6) "Hospital peer groups" has the same meaning as in rule 5160-2-05 of the Administrative Code.

(7) "Outpatient claim" encompasses the outpatient services rendered to one eligible medicaid recipient on one date of service.

(8) "Outpatient invoice" is a bill submitted in accordance with Chapter 5160-1 of the Administrative Code, to ODM for services rendered to one eligible medicaid recipient on one or more date(s) of service. For an invoice encompassing more than one date of service, each date will be processed separately as an individual claim. An invoice should be limited to thirty calendar days.

(9) "Procedure code" is a CPT or HCPCS code as identified in rule 5160-1-19 of the Administrative Code. A list of covered procedure codes is published on ODM's website, <http://medicaid.ohio.gov/>.

(10) "Relative weight" is a factor specific to each EAPG that represents that EAPG's relative cost compared to an average case. The relative weights for all EAPGs are calculated as described in paragraph (F) of this rule.

(11) "Revenue center codes" are those in effect on the date of service and are listed in ODM's hospital billing guidelines as published on ODM's website, <http://medicaid.ohio.gov/>.

(12) "Carved out injectable drugs and biologicals" are the cell and gene therapy drugs identified on the "Carved Out Injectable Drugs and Biologicals" list, which is published on the medicaid website, <https://medicaid.ohio.gov/stakeholders-and-partners/phm/carved-out-drugs>.



(B) EAPG payment formula.

The total EAPG payment is the product of the following for each detail line:

(1) Peer group base rate in paragraph (D)(2) of this rule or base rate as adjusted in paragraph (E) of this rule; multiplied by

(2) EAPG relative weight for which the service was assigned by the EAPG grouper, rounded to the nearest whole cent;

(3) Multiply the product of paragraphs (B)(1) and (B)(2) of this rule by the applicable discounting factor(s) as defined in paragraph (A)(4) of this rule;

(a) Laboratory services will be reimbursed the lesser of charges or the assigned EAPG payment.

(b) Radiology services will be reimbursed the lesser of charges or the assigned EAPG payment.

(4) Rounded to the nearest whole cent.

(C) Sources for inputs in the payment formula.

The dataset used as inputs in the payment formula and determination of relative weights established for dates of service on or after the effective date of this rule consists of:

(1) All outpatient hospital claims with dates of service from January 1, 2017, through June 30, 2021;

(2) Cost reports submitted by hospitals to ODM on its Ohio medicaid hospital cost report for the hospital years that end in state fiscal years 2017 (ODM 02930 rev. 4/2017) through 2021 (ODM 02930 rev. 5/2021); and

(3) Inflation factors computed for Ohio by a nationally recognized research firm that computes similar factors for the medicare program. The inflation factors were used to inflate the total cost computed for each case inflating it to June 30, 2024.



(D) Computation of case mix adjusted average cost per case (base rate).

(1) For each Ohio peer group, calculate the total inflated cost for all cases, divide it by the number of cases assigned to each peer group and multiply the result as follows:

(a) For teaching hospitals, by seventy per cent;

(b) For urban hospitals in the southeast region as defined in the appendix to rule 5160-2-05 of the Administrative Code, by sixty-eight per cent;

(c) For urban hospitals in the southwest region as defined in the appendix to rule 5160-2-05 of the Administrative Code, by sixty-three per cent; and

(d) For all other Ohio hospitals, by sixty-two per cent.

(2) For each Ohio peer group, sum the relative weight values for all cases assigned to the peer group, divided by the number of cases in the peer group.

(3) For each Ohio peer group, multiply the amount described in paragraph(D)(1) of this rule by the result of paragraph (D)(2) of this rule.

(4) For non-Ohio peer groups, the peer group base rate is ninety-three dollars and fourteen cents.

(5) The following peer group increases take effect on January 1, 2026:

(a) For critical access hospitals, 14.06 per cent in addition to the result of paragraph (D)(1)(d) of this rule.

(b) For rural hospitals, 22.61 per cent in addition to the result of paragraph (D)(1)(d) of this rule.

(c) For children's hospitals, 0.84 per cent in addition to the result of paragraph (D)(1)(d) of this rule.



(d) For teaching hospitals, 0.83 per cent in addition to the result of paragraph (D)(1)(a) of this rule.

(e) For all other Ohio hospitals, 0.83 per cent in addition to the result of paragraph (D)(1)(d) of this rule.

(E) Risk corridors.

Effective for dates of service on or after the effective date of this rule, ODM will apply the following to Ohio hospital peer groups except those defined in paragraphs (A)(6)(a) and (A)(6)(b) of this rule:

(1) If the peer group base rate calculated in paragraph (D) of this rule results in the fiscal impact at the individual hospital level that results in the reduction of payments from current levels, the individual hospital base rate is adjusted to a zero per cent reduction in payments; or

(2) If the peer group base rate calculated in paragraph (D) of this rule results in the fiscal impact at the individual hospital level that results in the increase of payments from current levels that is greater than ten per cent, the individual hospital base rate is adjusted to a ten per cent increase in payments.

(F) Computation of relative weights.

The relative weight is equal to:

(1) The average inflated cost per case within each EAPG; divided by

(2) The average inflated cost per case across all EAPGs.

(3) Adjustments to relative weights effective January 1, 2026.

(a) The relative weights for neonates, obstetric procedures, pregnancy, childbirth, and the puerperium EAPG categories were increased by 48.64 per cent.

(b) The relative weights for behavioral health services assigned to EAPG categories sixteen, seventy-one, and seventy-two, were increased by 14.04 per cent.



(G) Items conditionally payable outside of EAPG.

(1) Pharmaceuticals.

(a) When applicable, reimbursement for provider-administered pharmaceuticals HCPCS J-code or Q-code billed with revenue center code 025X or 0636 will be the lesser of charges or the payment amounts in the provider-administered pharmaceutical fee schedule as published on ODM's website, <http://medicaid.ohio.gov/>.

(b) Additional payments for pharmaceuticals will be made in accordance with the discounting factors as determined by the EAPG grouper.

(c) Pharmaceutical line items without a "National Drug Code" will be denied payment by ODM.

(d) Charges listed in line items that carry revenue center code 025X or 0636 with a provider-administered pharmaceutical HCPCS J-code or Q-code that are not listed on the provider-administered pharmaceutical fee schedule or listed as "by report" will pay in accordance with paragraph (G)(3)(b)(iv) of this rule.

(e) Carved out injectable drugs and biologicals, as defined in paragraph (A)(12) of this rule, will be reimbursed at actual acquisition cost plus one-half of one per cent.

(2) Durable medical equipment (DME).

(a) Additional payments may be made for items grouping to a DME EAPG type.

(b) Reimbursement for outpatient hospital DME will be the lesser of charges or the payment amounts in the medicaid durable medical equipment fee schedule as published on ODM's website, <http://medicaid.ohio.gov/>.

(c) Additional payments for DME will be made in accordance with the discounting factors as determined by the EAPG grouper.



(3) Independently billed services for drugs or medical supplies and devices.

(a) To request independently billed payment under EAPG, hospitals will report all services provided on the date of service; and

(b) Report modifier UB with the primary procedure performed. Claims submitted with modifier UB are subject to the following payment methodology:

(i) Charges listed in line items that carry revenue center codes 025X or 0636 with a provider administered HCPCS J-code or Q-code will be reimbursed in accordance with the provider-administered pharmaceutical fee schedule.

(ii) Charges listed in line items that carry revenue center code 0250 without a provider-administered pharmaceutical CPT/HCPCS code or revenue center code 027X with or without a DME HCPCS code will be reimbursed in accordance with paragraph (G)(3)(b)(iv) of this rule.

(iii) Charges listed in line items that carry revenue center code 025X or 0636 with a provider-administered pharmaceutical HCPCS J-code or Q-code that are not listed on the provider-administered pharmaceutical fee schedule or listed as "by report" will be reimbursed in accordance with paragraph (G)(3)(b)(iv) of this rule.

(iv) Payment for charges listed in paragraph (G)(3)(b)(ii) or (G)(3)(b)(iii) of this rule is the product of the following for each detail line:

(a) Allowed charges multiplied by the hospital's specific medicaid outpatient cost-to-charge ratio as described in paragraph (B)(2) of rule 5160-2-22 of the Administrative Code, rounded to the nearest whole cent.

(b) Multiply the product of paragraph (G)(3)(b)(iv)(a) of this rule by sixty per cent; rounded to the nearest whole cent.

(v) All other detail lines on the same date of service will be paid zero.



(4) Dental services.

(a) Reimbursement for items assigned to a dental service EAPG type will be paid at a flat rate of one thousand four hundred thirty dollars.

(b) Payments will be multiplied by any applicable discounting factor and rounded to the nearest whole cent.

(5) Vaccines for children (VFC).

(a) The administration of immunizations covered under the VFC program may be reimbursed for recipients eighteen years or younger.

(b) Reimbursement for the administration of immunizations covered under the VFC program will be ten dollars for individuals eighteen years of age or younger, contingent upon the EAPG grouper. However, no payment will be made for vaccines that can be obtained at no cost through the federal VFC program.

(c) Additional payments for designated free vaccines will be made in accordance with the discounting factors as determined by the EAPG grouper.

(6) Observation services.

(a) Payment for observation services with HCPCS code G0378 will be made based on an average rate. Payment will be made for the following types of observation services:

(i) Acute care related observation services; and

(ii) Behavioral health (BH) and/or substance use disorder (SUD) observation services.



(b) Payments for observation services will be limited to a maximum of two consecutive days, except as provided in paragraph (G)(6)(c) of this rule.

(c) Payments for observation services reported with HCPCS code G0378 will be made for up to twenty-four units per day or forty-eight consecutive units (which could extend over a three-day period).

(d) Outpatient claims for observation services described in paragraph (G)(6)(a)(ii) of this rule will include:

(i) A BH/SUD primary diagnosis code; and

(ii) Modifier 'HE' at the detail level for the observation code.

(H) Coverage for acupuncture services is limited to the treatment of the services defined in rule 5160-8-51 of the Administrative Code.