

Funny Math in Ohio Workers' Comp Proposal

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Ohio hospitals are to go along with plan to reduce their payments for treating injured workers. The proposal is for hospitals to be paid actual costs plus 15 percent. The Ohio Hospital Association has requested the payments be actual costs plus 25 percent. The rate proposal is an attempt to eliminate excessive overpayment.

The proposal is set to be reviewed by the Joint Committee on Agency Rule Review next month (Aug 2006). If approved the changes will be effective Oct 1.

Charles Cataline, the Hospital Association's Senior Director of Health Policy claimed that paying actual costs plus 25 percent will ensure they (the hospitals) will ensure they do not lose money. He said injured workers' cases can be more expensive because most cases come through the ER and billing to the Bureau (of Workers' Compensation) requires more time and paperwork. In the end he did say they will support any new rate system.

Ok, before I even get into the numbers, is anybody else concerned that they are essentially arguing over PROFITS? If the hospitals get paid actual costs doesn't that automatically mean that everybody involved gets paid as well as covering any medical equipment used? If we are talking about keeping workers' compensation premiums to a minimum why are we still concerned with profit? And if billing happens in the ER that is so excessive, doesn't billing happen anywhere workers comp patients are treated? And if we can cut the profit to a minimum for workers' comp cases why can't we cut all excessive profits to a minimum? But I digress, one exceedingly high profit margin at a time right?

Ok here's the Funny Numbers as promised in the title.

Between 1997 and 2004 the Bureau paid out \$1.6 billion to hospitals. The actual costs were \$1.1 billion. So we have a profit of \$500 million for the hospitals in 8 years, or \$62.5 million a year.

Under the Bureau's proposal of actual cost plus 15% the profits (using the same \$1.1 billion) would have been \$165 million, or \$20.6 million a year.

If they grant the Hospital Association's request of actual cost plus 25% the profits would have been \$275 million, or \$34.4 million a year.

So in either case the proposal will be cutting the \$500 million profit in years of old in half, approximately (to \$275 million proposed by the Hospital Association) or one-third (to \$165 million proposed by the Bureau).

One last question, whoever heard of the medical field voluntarily giving up their profits? Linda Fox
Webmaster of First Comp Info Workers' Compensation Victim, Making it easier for you to understand your rights.