

Rule Summary and Fiscal Analysis (Part A)**Department of Job and Family Services**

Agency Name

Division of Medical Assistance

Division

Nancy Van Kirk

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Rule Number

AMENDMENT

TYPE of rule filing

Rule Title/Tag Line

Medicaid reimbursement.**RULE SUMMARY**

1. Is the rule being filed consistent with the requirements of the RC 119.032 review? **No**

2. Are you proposing this rule as a result of recent legislation? **No**

3. Statute prescribing the procedure in accordance with the agency is required to adopt the rule: **119.03**

4. Statute(s) authorizing agency to adopt the rule: **5111.0112, 5111.02**

5. Statute(s) the rule, as filed, amplifies or implements: **5111.01, 5111.0112, 5111.02, 5111.021, Section 206.66.44 of Am. Sub. HB 66, 126th GA**

6. State the reason(s) for proposing (i.e., why are you filing,) this rule:

This rule is being proposed for amendment to announce the adoption of 2007 Healthcare Common Procedural Coding System (HCPCS) and 2007 Current Procedural Terminology (CPT) codes effective January 1, 2007 in order to maintain consistency with industry standards, which the department is required to do under the Health Insurance Portability and Accountability Act (HIPAA). This rule replaces the emergency rule which was effective on December 29, 2006.

7. If the rule is an AMENDMENT, then summarize the changes and the content of the proposed rule; If the rule type is RESCISSION, NEW or NO CHANGE, then summarize the content of the rule:

This rule sets forth general Medicaid reimbursement procedures, lists Current Procedural Terminology (CPT) codes and the maximum payment amounts for professional providers. The appendix to this rule is amended to add new HCPCS codes issued by CMS, the American Medical Association, and the American Dental Association for 2007 and to discontinue codes deleted nationally.

In addition, the following changes have been made for clarity: In paragraph (A)(1), the term "reimbursement methodologies" is replaced with "principles." Paragraph (A)(2) is stricken and replaced with new language that clarifies Medicaid payment when third-party payments are available. In paragraph (C), "actually needed" is replaced with "that are medically necessary." Clarified and updated all service dates and terminology. Paragraph (L) is revised to reflect that the Medicaid maximums described in paragraph (J) of this rule will not exceed the authorized level for the same services under the Medicare program except as otherwise permitted by federal statute or regulation and at the department's discretion. Other changes include revising Appendix DD to remove tracking codes for performance measurement rather than for billing, claims payment, or reimbursement and necessary price revisions.

8. If the rule incorporates a text or other material by reference and the agency claims the incorporation by reference is exempt from compliance with sections 121.71 to 121.74 of the Revised Code because the text or other material is **generally available** to persons who reasonably can be expected to be affected by the rule, provide an explanation of how the text or other material is generally available to those persons:

This rule incorporates one or more references to another rule or rules of the Ohio Administrative Code. This question is not applicable to any incorporation by reference to another OAC rule because such reference is exempt from compliance with ORC 121.71 to 121.74 pursuant to ORC 121.76(A)(3).

9. If the rule incorporates a text or other material by reference, and it was **infeasible** for the agency to file the text or other material electronically, provide an explanation of why filing the text or other material electronically was infeasible:

Not applicable

10. If the rule is being **rescinded** and incorporates a text or other material by

reference, and it was **infeasible** for the agency to file the text or other material, provide an explanation of why filing the text or other material was infeasible:

Not Applicable.

11. If **revising** or **refiling** this rule, identify changes made from the previously filed version of this rule; if none, please state so:

Not Applicable.

12. 119.032 Rule Review Date: **11/1/2010**

(If the rule is not exempt and you answered NO to question No. 1, provide the scheduled review date. If you answered YES to No. 1, the review date for this rule is the filing date.)

NOTE: If the rule is not exempt at the time of final filing, two dates are required: the current review date plus a date not to exceed 5 years from the effective date for Amended rules or a date not to exceed 5 years from the review date for No Change rules.

FISCAL ANALYSIS

13. Estimate the total amount by which *this proposed rule* would **increase/decrease** either **revenues /expenditures** for the agency during the current biennium (in dollars): Explain the net impact of the proposed changes to the budget of your agency/department.

This will increase expenditures.

\$50,300

The filing of this rule would result in a total estimated fiscal impact of approximately \$42,000 resulting from physician services and a total estimated fiscal impact of approximately \$8,300 resulting from laboratory services. Therefore, the total estimated fiscal impact for all services reflected in this rule is approximately \$50,300 for the remainder of the current biennium.

14. Identify the appropriation (by line item etc.) that authorizes each expenditure necessitated by the proposed rule:

600-525

15. Provide a summary of the estimated cost of compliance with the rule to all

directly affected persons. When appropriate, please include the source for your information/estimated costs, e.g. industry, CFR, internal/agency:

Every year the Healthcare Common Procedural Coding System (HCPCS) is updated with new and deleted codes. Providers are required to use this coding system when billing for outpatient services. In order to comply with this rule, providers are required to use the updated billing codes and may incur costs associated with updating billing software. Due to providers using different software packages to create invoices, we are unable to provide an estimate cost to providers. The cost described is not a new cost and would be required by all payers, not just Medicaid. In addition, Medicaid reimbursement rates were developed to include administrative costs such as these. This rule maintains current practice of providers updating their billing systems on an annual basis so there should be no new costs to the providers.

16. Does this rule have a fiscal effect on school districts, counties, townships, or municipal corporations? **No**

17. Does this rule deal with environmental protection or contain a component dealing with environmental protection as defined in R. C. 121.39? **No**