

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? **Yes**

Bill Number: **HB119**General Assembly: **127**Sponsor: **Rep. Dolan**

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**

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

This rule is being proposed for amendment to incorporate Medicaid maximum fee increases budgeted in AM. Sub. H.B. 119, 127th General Assembly, because the dollars appropriated to JFS in the 600-525 account, found in section 309.10 of H.B. 119, assume the expenditures with these changes, and to decrease the Medicaid reimbursement amount for oxygen concentrators.

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 the reimbursement policies for all professional Medicaid providers. The rates paid to providers who bill using Current Procedural Terminology (CPT) codes are contained in Appendix DD to this rule. The proposed amendment to this rule changes the reimbursement rate for certain CPT codes.

The rates for some CPT codes are proposed to go up. Others are proposed to go down, and the rates for many are proposed to remain unchanged. The aggregate impact, however, is a three percent increase, effective for dates of service on or after July 1, 2008.

Significant rate increases are proposed for new and established office visits, preventive medicine visits, consultations, psychiatry, and neonatal and critical care services. The rates proposed for reductions are those currently in excess of 100 percent of the Medicare rate. New ceilings for these codes are established at 100 percent of the Medicare rate.

A three percent increase in the rates paid to Ambulatory Surgery Centers (ASCs) is proposed. The proposed new payment rates for each of the nine ASC groups are contained in paragraph (J)(4) of the rule.

A three percent increase for the following community providers is proposed: free-standing dialysis clinics, transportation services, and dental services.

A fee increase for the labor component of repairs to durable medical equipment (DME) is proposed. DME repairs are billed using two Healthcare Common Procedure Coding System (HCPCS) codes. These codes will be increased from \$9.00 to \$11.00 per 15-minute unit.

An increase for the vaccine administration rate for vaccinations covered under the federal vaccines for children (VFC) program is proposed. The rate is proposed to increase from \$5.00 to \$10.00.

Also for effective dates on or after July 1, 2008, the maximum reimbursement rate for persons in long term care facilities for single and dual port oxygen concentrators (HCPCS codes E1390 and E1391) for the fee for service Medicaid program is being reduced to \$97.50 per month, down from \$178.56 per month. This reduction, per rule 5101:3-10-13(E)(5), will also result in a private residence maximum rate of \$105.30 per month, down from \$192.84 per month.

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 (OAC). This rule is not applicable to any incorporation by reference to another OAC rule or rules because such reference is exempt from compliance with ORC 121.71 to 121.74 pursuant to to 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:

REFILING 7/8/08

Changes are being made to questions 13 and 15 of this RSFA as well as removing part B of this document since part B is not necessary due to the removal of oxygen rate reductions from the refiling of this rule.

Oxygen reimbursement codes E1390 and E1391 are being revised to reflect payment levels which maintain their current rate. Both codes reimburse for long term care facilities at \$178.56 per month and \$192.84 per month in a private residence.

REVISE FILING 4/11/08

The changes from the previously filed version of the rule are to the RSFA part B. The RSFA part B had to be replaced because it was not the correct format. As a result, revisions also became necessary in order to address all required components associated with the RSFA part B.

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.

\$9,191,486.00

REFILING 7/8/08

The re-establishment of oxygen codes to reimbursement levels at their present rates will negate the previously reported \$6,000,000 departmental savings reflected in the revised filing of this rule on 4/11/08.

REVISE FILING 4/11/08

The total estimated cost for the proposed amendment to this rule would be \$9,191,486.00 for the current Medicaid biennium budget for the community provider fee increase and the detail is set forth below:

The estimated cost for the proposed amendment to this rule for Medicaid professional providers billing CPT codes would be \$6,004,899.00 for the current biennium;

The estimated cost for the proposed amendment to this rule for the increase in the vaccination administration rate for vaccines covered under the federal vaccination for children program would be \$226,370.00 for the current biennium;

The estimated cost for the proposed amendment to this rule for transportation services would be \$1,436,468.00 for the current biennium;

The estimated cost for the proposed amendment to this rule for dental services would be \$1,296,165.00 for the current biennium;

The estimated cost for the proposed amendment to this rule for free-standing dialysis clinics would be \$140,679.00 for the current biennium;

The estimated cost for the proposed amendment to this rule for surgical procedures performed in an Ambulatory Surgery Center (ASC) would be \$68,369.00 for the current biennium; and

The estimated cost for the proposed amendment to this rule for the providers of durable medical equipment (DME) and medical supplies would be \$18,536.00 for the current biennium.

The Department estimates that its expenditures will decrease by approximately \$6,000,000.00 during the current biennium as a result of the changes in oxygen reimbursement as a result of this filing.

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:

REFILING 7/8/08 The re-establishment of oxygen codes to reimbursement levels at their present rates will negate any cost of compliance with the revised filing of this rule to oxygen providers reflected in the revised filing of this rule on 4/11/08.
REVISE FILING 4/11/08 There would be no new cost of compliance with the proposed amendments to this rule. However, providers of oxygen services, and any providers billing any service where the Medicaid amount has decreased will receive a lesser payment. The fiscal impact of the lesser oxygen concentrator payment will be provider specific and be based on each providers current business model for the delivery of oxygen concentrator services.

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**