Rule Summary and Fiscal Analysis (Part A)

Department of Job and Family Services
Agency Name

Division of Medical Assistance | **Nancy Van Kirk**
Division | Contact

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5101:3-1-60 — 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: **5111.02, 5111.0112**

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

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

To add new 2006 HCPCS codes, to delete codes deleted by the Centers for Medicare and Medicaid (CMS) and to provide clarifying language about the collection of Medicare Part D co-payments.

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 contains all of the codes and Medicaid maximum payment amounts for professional providers. The changes to this rule include the addition of clarifying language about co-payments, and language allowing Medicaid providers to collect copayments on Medicaid Part D services from consumers. The appendix to this rule has been amended to add new HCPCS codes issued by CMS and the American Medical Association for 2006 and to delete codes discontinued nationally. Additional changes to the appendix effective for dates of service on and after 4/1/06 the following revisions: 1) physician CPT pricing changes to the codes 68682, 90710,90712, 90714, and 90715; 2) physician injection codes (J codes) price adjustments so Medicaid will not pay more than Medicare; 3) changes to 30 local level Y codes for DME services that are not HIPAA-compliant are being deleted and replaced with a HIPAA-compliant new code if available; and 4) price changes to 75 DME/supply codes that previously required prior authorization will have a Medicaid maximum established.

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 incoprporates 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:

This rule appendix is being revised to include the coverage of gait trainers for children and a stander system for adult and children for the Durable medical equipment (DME) program to be utilized in a private residence. 1) Numerous DME codes are also being revised to reflect Medicaid maximum allowable rates negotiated with various DME stakeholders from the Medicaid maximum allowable pricing previously submitted for the items in question; 2) ASC groups were added to covered surgery codes based on a recent update issued by Medicare; 3) the reimbursement rate of pneumococcal vaccine was increased due to provider feedback; 4) three immunization codes were updated to include coverage for both the adult and pediatric medicaid consumer; 5) code 99051 is being added to the fee schedule due to feedback provided by stakeholders; and 6) various HCPCS codes and provider procedure codes were corrected to reflect the most recent coding updates received by the department from the American Medical Association (AMA); and 7) questions 13 and 15 of this RSFA are being amended in order to reflect the agency's current position regarding these issues.

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.

$2,096,624

The filing of this rule would result in a total estimated fiscal impact of approximately $2,471,624 resulting from physician services and a total estimated savings of approximately $375,000 for DME/Supply services. Therefore, the total estimated fiscal impact for all services reflected in this rule is approximately $2,096,624 for the biennium in which this rule is enacted.

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:

Providers will be able to bill the new 2006 HCPCS codes and must modify their billing systems to bill the new codes. These code changes are necessary for all payors, not just Medicaid. It is anticipated that DME providers should realize a reduction in administrative costs due to Medicaid maximum prices assigned to 75 DME codes that previously required the submission of price lists with each claim submission. Any affected stakeholder accessing any DME equipment or supplies will be required to utilize the appropriate Healthcare common procedure coding system (HCPCS) code assigned by the American Medical Association (AMA) that is relevant for the item or items in question. Any stakeholder requesting an item or items listed in the appendix of this rule that is designated as "NC" or non covered by the department must utilize alternative funding sources in order to acquire materials.

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**