

**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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**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: **5111.0112, 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 make changes to appendix DD of the rule.

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. There are no changes to the body of the rule. The changes to the appendix are: 1) Updating the professional technical split indicators (TC=technical component and 26= professional component) for codes that have a split to more closely align with Medicare's splits; 2) Updating J code prices for those J codes that have an updated Average Sales Price (ASP) in Centers for Medicare and Medicaid Services (CMS) most recent ASP listing; 3) Updating the prices for three immunization codes that will be covered for both adults and children; 4) Changing the payment status of immunization codes for cholera and the poliovirus since these vaccines are no longer offered in the United States; 5) Replacing the local level oxygen codes with the Health Insurance Portability and Accountability Act (HIPAA) compliant codes; 6) Increasing the Medicaid maximum allowable fee for the purchase of the electric lactation pump due to stakeholder request; 7) Miscellaneous code changes including coverage decisions for codes listed in the CMS 2007 first quarter update; 8) As part of that update, J7319 was discontinued by CMS and Q4083, Q4084, Q4085, and Q4086 replaces this code; 9) Updating the Ambulatory Surgery Center (ASC) group indicator for eleven surgery codes that are covered in the ASC program; and 10) Updating the prices for compression stocking codes (A6530-A6541) due to stakeholder request and 10) The underlying payment method for oxygen concentrators is changing in OAC rules 5101:3-10-13 and 5101:3-10-13.1 from a payment method based on the monthly utilization by consumed volume of this equipment to a reimbursement system based on the monthly possession of an oxygen concentrator; the maximum payment amounts set forth in the appendix of this rule, however are not changing.

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 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 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:

Appendix DD has been updated incorporating changes in Healthcare Common Procedure Coding System (HCPCS) codes as a result of the July 1, 2007 Healthcare Common Procedure Coding System (HCPCS) update released by the Centers for Medicare and Medicaid Services (CMS), which deleted some codes and replaced these deleted codes with new codes. There is no change in coverage as a result of the update. A sentence was added to the end of question 13 of the Rule Summary and Fiscal Analysis to explain that no fiscal impact is anticipated as a result of these changes.

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.

\$ 513,102.00

The total fiscal impact as a result of the filing of this rule would be \$513,102.00.

The filing of this rule would result in a total estimated fiscal impact of approximately \$512,002.00 resulting from an increase in Average Sales Price (ASP) for some J codes.

There is no perceived fiscal impact as a result of this filing as it relates to replacing the local level oxygen codes and the electric lactation pump as the prices are being changed to reflect prices currently approved through the prior authorization process.

The filing of this rule would result in a total estimated fiscal impact of approximately \$1100.00 resulting from the Ambulatory Surgery Center (ASC) changes.

No fiscal impact is anticipated to result from changes in maximum allowable fees for compression stockings, as the prices are being changed to reflect prices currently approved through the prior authorization process.

No fiscal impact is anticipated as a result of the July 1, 2007 Healthcare Common Procedure Coding System update.

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:

No new costs. Providers will be using the same billing processes and nationally designated HCPCS codes to bill. These are no costs to comply since the providers will be billing Medicaid exactly the same as they bill other payers using the same HIPAA-compliant codes used to bill others. There is no cost to consumers since consumers do not bill the codes and consumers will not be responsible financially for any of the 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**