

**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? **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.

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. Changes include Medicaid maximum fee changes to certain Current Procedural Terminology (CPT) codes in Appendix DD. Under the fee changes, the Medicaid maximum fee for certain CPT codes were increased, decreased, or left unchanged as part of the aggregate 3 percent increase being implemented for CPT codes on claims with dates of service on or after January 1, 2008. Information including 2007 Medicare prices and 2007 relative value units (RVUs) for all CPT codes was used to evaluate the proposed fee changes. The focused fee increases were implemented in certain CPT code categories. The CPT code categories receiving significant fee increases include but are not limited to office visits, preventative visits, consultations, psychiatry, neonatal care, and critical care. The Medicaid maximum fee for some codes were reduced if the previous rate exceeded the 2007 medicare fee.

Another change is to increase the Medicaid maximum fee for each ambulatory surgery center (ASC) group. The proposed fee increase for each ASC group is 3 percent.

Another change is to implement a 3 percent Medicaid maximum fee increase for the following community providers: free standing dialysis clinics, transportation services, and dental services.

Another change is increasing the Medicaid maximum fee for vaccinations covered under the federal vaccines for children program (VFC). The proposed Medicaid maximum fee increase for these vaccines raised to ten dollars.

Another change is to increase the Medicaid maximum fee for durable medical equipment (DME) labor component Healthcare Common Procedure Coding System (HCPCS) codes for the repair and replacement of DME equipment. The proposed fee increase for these codes is 22 percent.

Medicaid maximum fees have been established for certain covered DME items utilizing historical Medicaid maximum fees for items being removed from prior authorization.

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 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:

Maximum fees have been added to five CPT procedure codes for use by occupational therapists, since 5111.029, as adopted under Am. Sub. H.B. 119, 127th General Assembly requires that occupational therapists become eligible Medicaid providers. The cost of occupational therapy services for the current biennium is addressed in rule 5101:3-8-03 of the Administrative Code. Adding these five CPT codes has no other fiscal impact.

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.

\$9,706,802.00

The total estimated cost for the proposed amendment to this rule would be \$9,706,802.00 for the current Medicaid biennium budget.

The estimated cost for the proposed amendment to this rule for Medicaid professional providers billing CPT codes would be \$5,682,185.00 for the current biennium.

The estimated cost for the proposed amendment to this rule for the increase in the vaccine administration for vaccines covered under the federal vaccination for children program for the current biennium is reported in the fiscal analysis of rule 5101:3-4-12 entitled "Immunizations."

The estimated cost for the proposed amendment to this rule for transportation services would be \$1,982,461.00 for the current biennium.

The estimated cost for the proposed amendment to this rule for dental services would be \$1,377,515.00 for the current biennium.

The estimated cost for the proposed amendment to this rule for dialysis centers would be \$209,708.00 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 \$75,500.00 for the current biennium.

The estimated cost for the proposed amendment to this rule for the providers of durable medical equipment (DME) and medical supplies would be \$35,967.00 for the current biennium.

There is no fiscal impact for the Medicaid maximum amount fees that have been established for certain covered DME codes because the department utilized the historical program reimbursement amount established by the prior authorization unit.

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:

There would be no new cost of compliance with the proposed amendments to this rule. However, any provider billing any service where the Medicaid maximum amount has decreased will receive a lesser payment.

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**