

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

Agency Name

Division of Medical Assistance

Division

Nancy Van Kirk

Contact

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5101:3-10-11

Rule Number

NEW

TYPE of rule filing

Rule Title/Tag Line

Hearing aids.**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**

5. Statute(s) the rule, as filed, amplifies or implements: **5111.01, 5111.02**

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

This rule is being filed to replace the current Hearing aid rule 5101:3-10-11 effective 1/1/95. This replacement is necessary in order to provide coverage and testing criteria necessary for the effective supply of digital or programmable hearing aids to children in the Ohio Medicaid program. This rule is also being filed in order to delete local level codes and replace them with HIPPA compliant codes as well as updated program coverage to current industry standards.

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 addresses coverage of digital, programmable and standard hearing aids including the requirements for prior authorization of these aids and the testing criteria that must be met for these aids to be authorized. A listing of several hearing aid types which are not covered, warranty requirements and the policy on the replacement of a hearing aid for non-medical reasons is provided.

This rule also changes the current reimbursement method for the supply and dispensing of a hearing aid. Previously, dispensing fees for a hearing aid were inclusive in vendor reimbursement for the supply of a hearing aid. This rule allows for a separate fees allowable for the hearing aid and a professional fee in order to compensate vendors for the time spent fitting a hearing aid. These separate fees have been adjusted to be comparable in cost to the former "all inclusive" fees.

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 OAC 121.76 (A) (3).

This rule incorporates one or more dated references to an ODJFS form or forms. Each cited ODJFS form is dated and is generally available to persons affected by this rule via the "Info Center" link on the ODJFS web site (<http://jfs.ohio.gov/>) in accordance with ORC 121.75 (E).

This rule incorporates one or more dated references to standards composed by the American National Standards Institute (ANSI). These standards are generally available to persons affected by this rule via the ANSI website (www.ansi.org).

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:

N/A

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:

Section (B) (6) of this rule is being reworded in order to clarify specific instructions to providers regarding the submission of dispensing fee codes for both prior authorization and for reimbursement.

12. 119.032 Rule Review Date:

(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.

\$737,434

ODJFS estimates that there will be a fiscal impact to cover medically necessary digital and programmable hearing aids of approximately \$737,434 for the biennium in effect when this rule is effective on 9/1/05. This figure includes reimbursement costs for the hearing aids as well as dispensing fees and is addition to the current costs associated with supplying hearing aids under our current program during this time frame.

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:

This rule filing does not change which providers' services are reimbursed. The revisions clarify Medicaid reimbursement by existing scope of practice laws.

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**