

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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5101:3-10-30

Rule Number

NEW

TYPE of rule filing

Rule Title/Tag Line

**Value purchasing: Ohio preferred durable medical equipment
(DME) program.****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, 5111.021**

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

This rule is being proposed in response to the recommendation made by the Ohio Commission to Reform Medicaid that the Ohio Department of Job and Family Services (ODJFS) Durable Medical equipment (DME) program should utilize its inherent purchasing power to negotiate distinct provider contracts to provide medical equipment and supplies to Medicaid consumers.

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 provides elaboration to providers of medical equipment and supplies regarding the Department's intention to establish a value purchasing system utilizing a competitive bid process or otherwise for items or services currently listed on the department's medical supply lists. Any item or service designated on the supply lists as being supplied to a medicaid consumer as a result of a value purchasing agreement between the department and a selected provider will not be directly reimbursable to any provider not selected by the department through the competitive bid process or otherwise to supply the equipment, supplies or services in question.

When the department has determined that a specific item or service listed on the medicaid supply lists are to be subject to the value purchasing concept that is contained in this rule there will be a subsequent rule amendment to the medicaid supply lists to notate the specific item or service in question as a value purchased item subject to the provisions of this rule.

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 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:

Not Applicable.

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 have no impact on revenues or expenditures.

0.00

Any specifics or financial impact statements relevant to the department as a result of any DME contract being proposed by the department would be contained in future rule filings of OAC rule 5101:3-10-03 "Medicaid Supply List" or 5101:3-10-20 "Covered orthotic and prosthetic services and associated limitations."

The department estimates that this rule filing will have no direct financial impact for the agency during the current biennium.

14. Identify the appropriation (by line item etc.) that authorizes each expenditure necessitated by the proposed rule:

Not Applicable

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:

The department estimates that this rule will result in no direct cost of compliance for directly affected stakeholders. Any financial impact resulting from the initiation of a value purchasing program established by the department would be provider specific and dependent on the nature of the durable medical equipment (DME) contract being proposed by the department. Any specifics or financial impact statements relevant to providers as a result of any DME contract being proposed by the department would be contained in future rule filings of OAC rule 5101:3-10-03 "Medicaid Supply List" or 5101:3-10-20 "Covered orthotic and prosthetic services and associated limitations."

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**

OAC Rule #5101:3-10-30
Value Purchasing: Ohio preferred durable medical equipment (DME) Program.

RSFA Clarification Statement, Question #16.

This rule is being filed in response to the recommendation made by the Ohio Commission to Reform Medicaid that the Ohio Department of Job and Family Services (ODJFS) Durable Medical equipment (DME) program should utilize its inherent purchasing power to negotiate distinct provider contracts to provide medical equipment and supplies to Medicaid consumers.

This rule provides elaboration to providers of medical equipment and supplies regarding the Department's intention to establish a value purchasing system utilizing a competitive bid process or otherwise for items or services currently listed on the department's medical supply lists. Any item or service designated on the supply lists as being supplied to a Medicaid consumer as a result of a value purchasing agreement between the department and a selected provider will not be directly reimbursable to any provider not selected by the department through the competitive bid process or otherwise to supply the equipment, supplies or services in question.

This rule is proposed as an enabling rule in order to codify the value purchasing process in the Ohio Medicaid DME chapter OAC 5101:3-10.

When the department has determined that a specific item or service listed on the Medicaid supply lists are to be subject to the value purchasing concept that is contained in this rule there will be a subsequent rule amendment to the Medicaid supply lists to notate the specific item or service in question as a value purchased item subject to the provisions of this rule.

Any specifics or financial impact statements relevant to the department as a result of any DME contract being proposed by the department would be contained in future rule filings of OAC rule 5101:3-10-03 "Medicaid Supply List" or 5101:3-10-20 "Covered orthotic and prosthetic services and associated limitations."

As a result of this rule filing, the department estimates that this rule will result in no direct cost of compliance for directly affected stakeholders. Any financial impact resulting from the initiation of a value purchasing program established by the department would be provider specific and dependent on the nature of the durable medical equipment (DME) contract being proposed by the department

Any specifics or financial impact statements relevant to providers as a result of any DME contract being proposed by the department would be contained in future rule filings of OAC rule 5101:3-10-03 "Medicaid Supply List" or 5101:3-10-20 "Covered orthotic and prosthetic services and associated limitations."