

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

Agency Name

Division of Medical Assistance

Division

Mike Lynch

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5101:3-30-04

Rule Number

AMENDMENT

TYPE of rule filing

Rule Title/Tag Line

**Reimbursement and rate setting for community medicaid
alcohol and other drug services.****RULE SUMMARY**

1. Is the rule being filed consistent with the requirements of the RC 119.032 review? **Yes**

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, 3793.06, 3793.11**

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

This rule is being proposed for amendment in order to implement a fee schedule payment methodology for Medicaid covered community alcohol and other drug treatment services.

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 describes the payment methodology for Medicaid covered community alcohol and other drug treatment services. The following changes are being proposed: 1) removal of the language describing the method and standard for establishing a provider's service specific prospective cost-based unit rate, 2) removal of the service rate ceilings, 3) addition of the fee schedule as Appendix A, and 4) additional language referencing state and Federal utilization review requirements.

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 incorporation by reference to another rule OAC because such reference is exempt from compliance with RC 121.71 to 121.74 in accordance with ORC 121.76(A)(3).

This rule incorporates one or more dated references to the Code of Federal Regulations (CFR). This question is not applicable to any dated incorporation by reference to the CFR because such reference is exempt from compliance with RC 121.71 to 121.74 in accordance with RC 121.75(D).

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:

The effective date of July 1, 2008 has been removed from appendix A

12. 119.032 Rule Review Date: 4/15/2008

(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

The proposed rule changes will have no impact on ODJFS projected budget during the current biennium.

However, there may be a net impact to ODJFS Federal Special Revenue Fund Group, Fund 3G5, ALI 600-655, interagency reimbursement appropriations of up to \$4.5M of federal funds passed through to the Ohio Department of Alcohol and Drug Addiction Services (ODADAS) in SFY 2009.

The proposed rule changes will have no impact on the Ohio Department of Alcohol and Drug Addiction Services (ODADAS) projected budget during the current biennium.

However, there is a projected net impact to ODADAS Federal Special Revenue Fund Group, 3J8 ALI 038-610 appropriations of up to \$4.5M of federal funds in SFY 2009. There is a projected net impact of State funding of \$2.6M associated with the fee schedule proposed in this rule. ODADAS has identified, within its existing budget of state funding, resources to address this projected need. Of this \$2.6M, \$2M is all of OADAS existing Medicaid reserve funding, \$400,000 is absorbed within existing Board allocations of GRF and State Special Revenues and \$200,000 from other State GRF funding. The \$2.2M consisting of all of ODADAS existing Medicaid reserve funding and the additional \$200,000 will be distributed from ODADAS to Boards on a demonstrated need basis, as is ODADAS current practice with the existing Medicaid reserve funding.

The fiscal analysis performed for the implementation impact of this rule is associated with the proposed fee schedule rates in appendix A. These proposed rates are the current Medicaid rate ceilings in the existing 5101:3-30-04 rule. The proposed fee schedule is intended to meet the federal requirement of ensuring payments are sufficient to enlist enough providers so that services are available to Medicaid consumers to the extent they are also available to the general population.

* This fiscal analysis does not include local levy funding as a match source.

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

ALI 600-655, Interagency reimbursement appropriations

ODADAS Federal Special Revenue Fund Group, 3J8 ALI 038-610.

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

16. Does this rule have a fiscal effect on school districts, counties, townships, or municipal corporations? **Yes**

You must complete Part B of the Rule Summary and Fiscal Analysis in order to comply with Am. Sub. S.B. 33 of the 120th General Assembly.

17. Does this rule deal with environmental protection or contain a component dealing with environmental protection as defined in R. C. 121.39? **No**

Rule Summary and Fiscal Analysis (Part B)

1. Does the Proposed rule have a fiscal effect on any of the following?

(a) School Districts	(b) Counties	(c) Townships	(d) Municipal Corporations
No	Yes	No	No

2. Please provide an estimate in dollars of the cost of compliance with the proposed rule for school districts, counties, townships, or municipal corporations. If you are unable to provide an estimate in dollars, please provide a written explanation of why it is not possible to provide such an estimate.

No new costs.

3. If the proposed rule is the result of a federal requirement, does the proposed rule exceed the scope and intent of the federal requirement? **No**

4. If the proposed rule exceeds the minimum necessary federal requirement, please provide an estimate of, and justification for, the excess costs that exceed the cost of the federal requirement. In particular, please provide an estimate of the excess costs that exceed the cost of the federal requirement for (a) school districts, (b) counties, (c) townships, and (d) municipal corporations.

Not Applicable.

5. Please provide a comprehensive cost estimate for the proposed rule that includes the procedure and method used for calculating the cost of compliance. This comprehensive cost estimate should identify all of the major cost categories including, but not limited to, (a) personnel costs, (b) new equipment or other capital costs, (c) operating costs, and (d) any indirect central service costs.

Not applicable

(a) Personnel Costs

Not applicable

(b) New Equipment or Other Capital Costs

Not applicable

(c) Operating Costs

Not applicable

(d) Any Indirect Central Service Costs

Not applicable

(e) Other Costs

Not applicable

6. Please provide a written explanation of the agency's and the local government's ability to pay for the new requirements imposed by the proposed rule.

The state funding to support the fee schedule payment methodology in this rule comes from the Ohio Department of Alcohol and Drug Addiction Services (ODADAS) budget. As this funding is disbursed to local Alcohol, Drug Addiction and Mental Health Services (ADAMHS) and Alcohol and Drug Addiction Services (ADAS) Boards, they will be impacted by its implementation. As stated in the response to question 13, there is a projected net impact of State funding of \$2.6M associated with the fee schedule proposed in this rule. ODADAS has identified, within its existing budget of state funding, resources to address this projected need. Of this \$2.6M, \$2M is all of OADAS' existing Medicaid reserve funding, \$400,000 is absorbed within existing Board allocations of GRF and State Special Revenues and \$200,000 from other State GRF funding. The \$2.2M consisting of all of ODADAS' existing Medicaid reserve funding and the additional \$200,000 will be distributed from ODADAS to Boards on a demonstrated need basis, as is ODADAS' current practice with the existing Medicaid reserve funding.

7. Please provide a statement on the proposed rule's impact on economic development.

Not applicable