

Rule Summary and Fiscal Analysis (Part A)**Ohio Department of Medicaid**

Agency Name

Division

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5160-1-60

Rule Number

AMENDMENT

TYPE of rule filing

Rule Title/Tag Line

Medicaid payment.**RULE SUMMARY**1. Is the rule being filed for five year review (FYR)? **Yes**2. Are you proposing this rule as a result of recent legislation? **Yes**Bill Number: **49**General Assembly: **132**Sponsor: **Rep. Ryan Smith**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: **5164.02**5. Statute(s) the rule, as filed, amplifies or implements: **5164.02**

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

This rule is being proposed for amendment to update policy related to the administration of the Medicaid program and incorporate budget provisions contained in Am. Sub. H.B. 49 of the 132nd General Assembly.

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 payment policies for services furnished by many professional, non-institutional providers. The proposed amendments will change Medicaid payment for Ambulatory Surgery Centers (ASCs). Rates for ASCs will no longer be maintained in this rule. Effective August 1, 2017, the rate methodology for ASCs has been moved to OAC rule 5160-22-01, "Ambulatory Surgery center (ASC) services: provider

eligibility, coverage, and reimbursement," which contains the applicable rates for this provider type for services delivered on or after this date. ASC rates for services delivered before this date will be kept in rule 5160-1-60 to allow providers to bill for services prior to August 1, 2017. Another change is the removal from this rule of Medicaid payment rates for Community Mental Health Centers (CMHCs). CMHCs have their own set of OAC rules and their own rate methodology for the payment of services provided in these settings, so this rule is not applicable to CMHCs enrolled in the Ohio Medicaid program.

The appendix to this rule is being amended to incorporate the following changes:

Medicaid payment for radiology and imaging services will be reduced by five percent beginning on the effective date of this rule.

Medicaid payment for neonatal and newborn care services will be increased to seventy five percent of the Ohio Medicare allowed amount.

The 2017 Current Procedural Terminology (CPT) and Healthcare Common Procedure Coding System (HCPCS) coding updates are incorporated into this appendix. New codes are added, obsolete codes are marked as discontinued, and Medicaid maximum amounts are established for new codes. These codes were published on a separate table and were effective January 1, 2017.

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 R.C. 121.71 to 121.74 pursuant to RC 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. If applicable, indicate each specific paragraph of the rule that has been modified:

Not Applicable.

12. Five Year Review (FYR) Date: **10/12/2017**

(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.

\$15,750,000.00

The proposed changes in payment, which are reflected in the appendix to this rule, will increase expenditures by an estimated \$15.75 million over the remainder of the biennium.

The increase in expenditure is a result of a budget provision to raise neonatal and newborn care services to seventy five percent of the Ohio Medicare allowed amount.

Clinical laboratory rates will be reduced to seventy five percent of the Ohio Medicare allowed amount as proposed in amended OAC rule 5160-11-09 for a budget neutral net impact to the biennium budget in accordance with H.B. 49.

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

651-525

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:

Providers of radiology and imaging services will receive a rate reduction in reimbursement. To the extent this reduction in reimbursement is a cost of compliance, providers of these services will have a cost of compliance when claims for these services are submitted for Medicaid payment. The Department cannot provide a cost of compliance estimate because the amount of the reduction in Medicaid payment will vary from provider to provider depending on their business model and frequency at which these providers submit these services for payment.

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**

S.B. 2 (129th General Assembly) Questions

18. Has this rule been filed with the Common Sense Initiative Office pursuant to R.C. 121.82? **No**

19. Specific to this rule, answer the following:

A.) Does this rule require a license, permit, or any other prior authorization to engage in or operate a line of business? **No**

B.) Does this rule impose a criminal penalty, a civil penalty, or another sanction, or create a cause of action, for failure to comply with its terms? **No**

C.) Does this rule require specific expenditures or the report of information as a condition of compliance? **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
Yes	Yes	Yes	Yes

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.

Providers of radiology and imaging services will receive a reduction in reimbursement. To the extent this reduction in reimbursement is a cost of compliance, providers of these services will have a cost of compliance when claims for these services are submitted for Medicaid payment. The Department cannot provide a cost of compliance estimate because the amount of reduction in Medicaid payment will vary from provider to provider depending on their business model and frequency at which these providers submit these services to Medicaid for payment.

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.

Providers of radiology and imaging services will receive a reduction in revenues for services provided.

(a) Personnel Costs

The department does not expect that the proposed rule will result in any increase in personnel costs to Medicaid providers.

(b) New Equipment or Other Capital Costs

The department does not expect that the proposed rule will result in any increase in new equipment or other capital costs to Medicaid providers.

(c) Operating Costs

The department does not expect that the proposed rule will result in any increase in operating costs to Medicaid providers.

(d) Any Indirect Central Service Costs

The department does not expect that the proposed rule will result in any increase in any indirect central service costs to Medicaid providers.

(e) Other Costs

Providers of radiology and imaging services will receive a reduction in reimbursement when claims for these services are submitted for Medicaid payment. The Department cannot provide an estimate for these "other costs" because the amount of reduction in Medicaid payment will vary from provider to provider depending on their business model and frequency at which these providers submit claims for these services to Medicaid for payment.

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.

Incorporation of the proposed reduced rate changes into the department's claims processing system is part of the administration of the Medicaid program; it entails no significant new costs for the department. None of the proposed rate changes requires a provider to modify its business practices; therefore, no implementation cost is anticipated for any local government or political subdivision.

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

The reduction in Medicaid payment for radiology and imaging will have a minimal impact on economic development.