

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

Agency Name

Division

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**5160-1-60**

Rule Number

**NEW**

TYPE of rule filing

Rule Title/Tag Line

**Medicaid payment.****RULE SUMMARY**1. Is the rule being filed for five year review (FYR)? **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: **5164.02**5. Statute(s) the rule, as filed, amplifies or implements: **5162.03, 5162.20, 5164.02, 5164.70**

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

This rule is being proposed for adoption to update policy related to the administration of the Medicaid program.

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. This rule and its appendix (designated DD for historical reasons) are being proposed to replace current rule 5160-1-60 and its appendix.

The body of the rule is reorganized, streamlined, and clarified.

\* Terminology is brought up to date. In particular, the words 'reimburse' and 'reimbursement' are replaced by the more accurate terms 'pay' and 'payment'.

\* Redundant, vague, or self-evident statements that have no impact on Medicaid payment policy are struck.

\* Language is added to clarify that although the appendix to the rule lists the Medicaid maximum payment amounts for many services and items, specific payment amounts or payment formulas set forth in other rules in agency 5160 of the Ohio Administrative Code take precedence. Explicit references to those portions of the Administrative Code are omitted.

\* A new provision is added to establish the initial maximum payment amount for a covered procedure, service, or supply represented by a new HCPCS procedure code that takes effect at the beginning of a calendar year. For convenience, a list of such initial maximum payment amounts will be posted no later than January first on the department's web site.

Note: For many years, the department has implemented the annual HCPCS update through the emergency rule-filing process, the nature of which leaves only one or two opportunities over the course of a year to make other changes unrelated to HCPCS, such as adjustments in maximum payment amounts. These new provisions obviate that problem and allow for much more flexibility in the maintenance of a payment schedule that is used by the majority of non-institutional Medicaid providers.

The appendix to the rule is restructured.

\* Pursuant to section 5111.021 of the Ohio Revised Code and paragraph (D) of current rule 5160-1-60, the maximum payment amounts for certain procedures, services, or supplies are reduced so that they do not exceed the corresponding maximum Medicare allowed amounts.

\* Medicaid maximum payment amounts for molecular pathology procedures and for the transportation of portable X-ray equipment are increased in response to comments made by stakeholders.

\* The professional/technical split indicators for radiology and diagnostic medicine procedures are revised to reflect Medicare payment ratios.

\* Initial Medicaid maximum payment amounts are established for covered adult preventive medicine procedures and for certain negative-pressure wound-treatment

services.

\* Payment information for six groups of procedures, services, or supplies is relocated to separate sections of the appendix:

- Laboratory-related services that are payable under the Medicare physician fee schedule or under the clinical laboratory fee schedule
- Transportation services
- Durable medical equipment, prostheses, orthoses, and supplies (DMEPOS)
- Dentistry services
- Eyeglass frames, ocular lenses, and eye prostheses
- Facility procedures performed by an ambulatory surgery center (ASC)

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 RC 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:

(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.

\$1,500,000

It is estimated that the changes in payment, which are reflected in the appendix to this rule, will increase expenditures by \$1,500,000 over the remainder of the biennium.

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

651525

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 is no new cost of compliance.

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
<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>

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.

To the extent that a Medicaid provider is an entity controlled by a political subdivision, it could be affected by the proposed rule. The proposed changes in the payment schedule may increase or decrease Medicaid payment for some providers. The department cannot provide an estimate of the impact on a particular provider, however, because the amount of any increase will depend on which services are provided, how often they are rendered, and in what location (site) they are rendered.

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.

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

(a) Personnel Costs

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

(b) New Equipment or Other Capital Costs

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

(c) Operating Costs

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

(d) Any Indirect Central Service Costs

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

(e) Other Costs

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

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 fee schedule changes into the department's claim-processing system is part of the administration of the Medicaid program; it entails no significant new costs for the department. None of the proposed fee schedule 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.

This proposed rule has no discernible impact on economic development.