

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? **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: **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 amendment to update policy related to the administration of the Medicaid program. This rule is also being proposed for five year rule review.
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 rule is being amended to remove the list of Ambulatory Surgery Center (ASC) rates from the body of the rule since these rates are incorporated in a reference table located in the rule appendix, where ASC payment amounts are specified. ODM is rescinding Ohio Administrative Code rule 5160-4-02.2 "Site differential payments and place of service," and any necessary provisions of that rule are being incorporated into the body of this rule. The appendix to this rule is being amended to incorporate the following changes:

The 2016 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 payment amounts are established for new codes. These codes were published on a separate table and were effective 01/01/2016.

Pursuant to section 5164.70 of the Ohio Revised Code and paragraph (F) of current rule 5160-1-60, the maximum payment amounts for certain surgical and radiological procedures are reduced so they do not exceed the corresponding maximum Medicare allowed amounts.

The Medicaid allowed amount for interactive complexity procedure is being increased to 80 percent of the Medicare allowed amount.

The department will be covering acupuncture services for the first time, and has set a rate for acupuncture services. The rate is based on osteopathic manipulation Medicaid rates.

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:

The appendix to this rule is being revised to denote procedures that require hospitals to obtain prior authorization approval before these procedures are performed in hospital settings. Pursuant to Chapter 5160-2 of the Ohio Administrative Code payment is not allowed for services that are denied by the department as a result of the prior authorization process. The revisions to the appendix do not affect payment policy. Notating these services in the appendix facilitates transparency to providers and Medicaid managed care plans.

No changes are being made to the body of the rule.

12. Five Year Review (FYR) Date: **10/7/2016**

(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.

\$31,000.00

The proposed changes in payment for surgical, radiological, psychiatric, and physician services will increase expenditures by an estimated \$31 thousand over the remainder of the biennium. The estimated expenditure for coverage of acupuncture

is reported in the RSFA for amended rule 5160-1-61.

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:

There is no cost of compliance with this rule from the fee change provisions of this rule.

However, changes to the appendix of this rule include the addition of new Healthcare Common Procedure Coding System (HCPCS) codes, the discontinuation of obsolete codes, and the initiation of coverage for some previously non-covered HCPCS codes. HCPCS is a standardized coding system that must be used by both providers and payers of medical services to ensure compliance with the Health Insurance Portability and Accountability Act (HIPAA). This coding system is updated at least annually and often quarterly, by the Centers for Medicare and Medicaid Services (CMS) and the American Medical Association (AMA). Any costs incurred by providers in connection with HCPCS updates would result from a HIPAA mandate and not from any requirement imposed by ODM.

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.

There is no cost of compliance with this rule from the fee change provisions of this rule.

Changes to the appendix of this rule include the addition of new Healthcare Common Procedure Coding System (HCPCS) codes, the discontinuation of obsolete HCPCS codes, and the initiation of coverage for some previously noncovered HCPCS codes. HCPCS is a standardized coding system that must be used by both providers and payers of medical services -- such as Medicare, Medicaid, and private insurance carriers -- to ensure compliance with the Health Insurance Portability and Accountability Act (HIPAA). This coding system is updated at least annually and often quarterly, by the Centers for Medicare and Medicaid Services (CMS) and the American Medical Association (AMA). Providers of medical services must use updated codes in order to maintain compliance with HIPAA. Any costs incurred by providers in connection with HCPCS updates would result from the HIPAA mandate and not from any requirement imposed by ODM. Indeed, ODM expects that local entities routinely incorporate HCPCS updates as part of their standard business practices.

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 increase in comprehensive costs to local entities.

(a) Personnel Costs

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

(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 local entities.

(c) Operating Costs

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

(d) Any Indirect Central Service Costs

The department does not expect that the proposed rule will result in any increase in central service costs to local entities.

(e) Other Costs

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

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.

The fee increase provisions of this rule will provide additional resources to the various local government entities impacted by this amendment, however, ODM is unable to predict how local governments will utilize there resources in support of their economic development.