

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

Agency Name

Division

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5160-58-03

Rule Number

NEW

TYPE of rule filing

Rule Title/Tag Line

MyCare Ohio plans: covered services.**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? **Yes**

Bill Number: **HB153**General Assembly: **129**Sponsor: **Amstutz**

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, 5166.02, 5167.02**

5. Statute(s) the rule, as filed, amplifies or implements: **5164.02, 5166.02, 5167.02**

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

To implement provisions of RC 5167.03 [renumbered from RC 5111.16], as adopted under Am. Sub. H.B. 153, 129th GA and RC 5164.91 [renumbered from 5111.981], adopted under Am. Sub. H.B. 153, 129th GA, relating to administration of the Medicaid managed care 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:

The proposed new rule describes the obligations of MyCare Ohio plans for ensuring that their members have access to all medically-necessary services covered by Medicaid. When services are provided for an emergency medical condition, a MyCare Ohio plan may be obligated to pay service providers that do not contract with the MyCare Ohio plan. Such payment may be required for the emergency services themselves, and for subsequent services after an emergency medical condition has been stabilized.

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 Ohio Administrative Code 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. If applicable, indicate each specific paragraph of the rule that has been modified:

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 increase expenditures.

\$70,100,000

This rule is being proposed to implement the MyCare Ohio program. This change will result in an increase in expenditures of \$110 million during SFY 2014 and a decrease in expenditures of \$39.9 million in SFY 2014. The net increase in expenditures has been accounted for in the biennial budget.

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:

This rule requires MyCare Ohio plans to ensure that members have access to medically-necessary services; to establish, in writing, the process and procedures for claims submissions from non-contracting providers; and to maintain records of requests for coverage of post-stabilization services. MyCare Ohio plans may incur costs in complying with these requirements; however, it is not possible to provide an estimate of the costs on a particular MyCare Ohio plan. The costs will vary based on the business practices of the MyCare Ohio plan and the needs of its members. Through the capitation rate paid by the Department of Medicaid, MyCare Ohio plans will be compensated for the cost of ensuring that services are provided,

and for the time required in maintaining and submitting required reports.

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? **Yes**

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? **Yes**

This rule requires reports of information.

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	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.

It is estimated that the MyCare Ohio program will increase local tax revenue statewide by \$5 million dollars in SFY 2014 and \$41.5 million in SFY 2015. Furthermore, to the extent that a service provider that subcontracts with a MyCare Ohio plan is an entity controlled by a county, township, or municipal corporation, it could be affected by the proposed rule. Such service providers may be subject to costs of compliance if the reimbursement they receive from MyCare Ohio plans is lower than what they would have received under Medicaid fee-for-service.

The department cannot provide an estimate of the impact on a particular service provider, however, because the amount of any reduction will depend on which services are provided by the county, township or municipal corporation, how often they are rendered, and the contractual payment rate between the service provider and the MyCare Ohio plan.

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.

Comprehensive cost estimates are provided in the following sections.

(a) Personnel Costs

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

(e) Other Costs

Some entities providing Medicaid services to enrollees in MyCare Ohio plans are controlled by counties, townships, or municipal corporations. To the extent that a reduction in payment for services can be considered a cost of compliance, such service providers may be subject to a cost of compliance if the reimbursement they receive from a MyCare Ohio plan is lower than what they would have received under the Medicaid fee-for service program. The department cannot provide an estimate of the impact on a particular provider, however, because the amount of any reduction will depend on which services are provided, how often they are rendered, and the contractual payment rate between the service provider and the MyCare Ohio plan.

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 net increase of expenditures for the MyCare Ohio program has been accounted for in the Department of Medicaid's biennium budget. No implementation cost is anticipated for any local government or political subdivision. These entities will achieve an increase in revenues from the program.

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

The potential change in reimbursement to providers is not expected to have a discernable impact on economic development. However, premiums received by Ohio Medicaid managed care plans, including MyCare Ohio plans, are subject to sales and use tax, and are estimated to increase tax revenues.