

FEDERAL MEDICAID NOTICE AND PUBLIC HEARING NOTICE
OHIO DEPARTMENT OF MEDICAID

DATE: November 18, 2013
TIME: 10:00 AM
LOCATION: Lobby Hearing Room, Rhodes State Office Tower
30 East Broad Street, Columbus, Ohio

Pursuant to 42 CFR 447.205, section 1902(a)(13)(A) of the Social Security Act, Chapter 5164.02 and Chapter 119 of the Ohio Revised Code, the director of the Ohio Department of Medicaid gives notice of the Department's intent to amend rule 5160-2-21 on a permanent basis, to implement revisions to the hospital outpatient reimbursement methodology proposed by the Department in Am. Sub. H. B. 59 of the 130th General Assembly, and of a public hearing thereon.

An initial notice was issued in June 2013 to inform the public of proposed changes to state fiscal year 2014 and 2015 reimbursement for hospital services by the Ohio Medicaid program. This notice provides greater detail of the outpatient hospital policies that will be enacted following the public and legislative processes.

Rule 5160-2-21 entitled, Polices for outpatient services, is being amended to implement provisions of Am. Sub. H.B. 59 of the 130th General Assembly and to add certain HCPCS codes to the laboratory fee schedule. Specifically, the changes set fixed prices for most outpatient services currently reimbursed at cost. Unlisted surgeries, radiology services, and ancillary procedures will now have published fees. Reimbursement for drugs administered with IV therapy, independently billed drugs and medical supplies will be set at 60% of cost. Additionally, the hospital laboratory fee schedule will be recalibrated to align payment rates to prescribed Medicare ceilings. Finally, the rule adds codes and reimbursement rates for molecular pathology services. The reimbursement changes in this rule will be effective January 1, 2014.

The rule sets forth outpatient policies and payment rates for hospitals that are subject to diagnosis related group (DRG) prospective payment. Changes to the rule include: 1) addition of text to paragraph (B)(3) to clarify the use of the UB modifier; 2) updates to the text in paragraph (F) for the pricing methodology for unlisted procedure codes is being changed to pay unlisted surgeries at the surgical group rates, and to subject these codes to the existing surgery bundling methodology, including the methodology for cancelled surgeries; 3) appendix C is being updated to reflect unlisted procedure codes being reimbursed at the surgical group rates; 4) appendix F is updated to set fee schedule prices for ancillary codes previously paid at cost; 5) text in paragraphs (G) and (H) for the pricing methodology for revenue center codes 025X present with an IV therapy code is being changed to pay 60% of the hospital specific outpatient cost-to-charge ratio; 6) appendix H is updated to set fee schedule prices for lab codes previously paid at cost, to recalibrate and align payment rates to prescribed Medicare ceilings, and to add codes and reimbursement rates for Molecular Pathology services; 7) appendix G is updated to set fee schedule prices for radiology codes previously paid at cost; 8) text in paragraph (J) clarifies existing policy regarding the pricing methodology for revenue center codes 025X present with an IV therapy code is paid at cost for claims between 1/1/2012 and 12/31/2012, and it also changes the this methodology for claims on or after 1/1/2014 so that revenue center codes 025X present with an IV therapy code will pay 60% of the hospital specific outpatient cost-to-charge ratio for claims on or after

1/1/2014; 9) text in paragraph (L) for the pricing methodology for independently billed revenue center codes 25X, 636, and 27X is being changed to pay 60% of the hospital specific outpatient cost-to-charge ratio.

The department estimates this rule will decrease expenditures by \$22.2 million all funds in SFY 2014 and \$44.4 million all funds in SFY 2015. These savings are accounted for in the funds appropriated in Am. Sub. HB 59, 130th General Assembly. The rates that will result from this amendment are available upon request by contacting the Hospital Section by emailing a request to hospital_policy@medicaid.ohio.gov.

Copies of the proposed rules are available, without charge, to any person affected by the rules at the address listed below. The rules are also available on the internet at <http://www.registerofohio.state.oh.us/>. A public hearing on the proposed rules will be held at the date, time, and location listed at the top of this notice. Either written or oral testimony will be taken at the public hearing. Additionally, written comments submitted or postmarked no later than the date of the public hearing will be treated as testimony.

Requests for a copy of the proposed rule or comments on the rule should be submitted by mail to the Ohio Department of Medicaid c/o Ohio Department of Job and Family Services, Office of Legal and Acquisition Services, 30 East Broad Street, 31st Floor, Columbus, Ohio 43215-3414, by fax at (614) 752-8298, or by e-mail at rules@jfs.ohio.gov.