

**FEDERAL MEDICAID AND PUBLIC HEARING NOTICE
OHIO DEPARTMENT OF JOB AND FAMILY SERVICES**

DATE: August 12, 2008
TIME: 10:00 a.m.
LOCATION: Lobby Hearing Room, Rhodes State Office Tower
30 East Broad St., Columbus Ohio 43215

Pursuant to section 5111.02 and Chapter 119. of the Ohio Revised Code (ORC) and 42 CFR 447.205, the director of the Department of Job and Family Services gives notice of the department's intent to consider the amendment of the rules as identified below and of a public hearing thereon.

Rule **5101:3-10-03**, entitled "Medicaid Supply Lists," is being proposed in order to update rule terminology located in the rule body and modify the existing Appendix A of this rule. A new Appendix B is being created for this rule that will designate specific medical equipment and supplies that upon notification to providers and consumers by the department will only be acquired by the department utilizing a competitive bidding procurement program described as value purchasing. This program is being initiated by the department in order to reduce annual expenditures for incontinence products currently supplied to Medicaid consumers.

This rule sets forth the durable medical equipment and supplies covered by the Medicaid program.

Changes include a new Appendix B and new rule language which provides instruction to providers regarding the identification of DME equipment and supplies currently listed on the department's medical supply list that are subject to a value purchasing contract and therefore not directly reimbursable to any provider not receiving the volume purchasing contract to supply the equipment or supplies in question. In the case where an existing volume purchasing contract for the designated supplies is not in place, any willing provider with a current and valid Medicaid provider agreement may dispense the designated supplies listed in Appendix B.

Rule **5101:3-10-21**, entitled "Incontinence garments and related supplies," is being amended to incorporate rule language which indicates that as of the effective date of this rule the Ohio Department of Job and Family services will use value purchasing to procure incontinence garments and related supplies for Medicaid consumers. This rule is also being filed for five year rule review.

This rule provides instruction to providers of medical equipment and supplies as to the coverage and dispensing criteria for incontinence garments and related supplies for Medicaid consumers. Changes to this rule include terminology modifications which are incorporated into the rule body which clarify the department's position on the ordering and dispensing of incontinence garments. In addition, changes to this rule include the

addition of rule language which codifies the department's intent to procure incontinence garments and related supplies through the use of the Ohio preferred DME program.

Any items or supplies subjected to value purchasing will have their maximum allowable reimbursement amount for the Medicaid program determined by the prevailing bid as opposed to utilizing the Medicare fee schedule to set such prices.

The department estimates that filing these rules will result in a program savings of approximately \$3,000,000 during the year in which the program is initiated.

These rules are being amended in response to the recommendation made by the Ohio Commission to Reform Medicaid that the Ohio Department of Job and Family Services (ODJFS) durable medical equipment (DME) program should utilize its inherent purchasing power to negotiate distinct provider contracts to provide medical equipment and supplies to Medicaid consumers.

A copy of the proposed rules is available, without charge, to any person affected by the rules at the address listed below and at the county departments of job and family services. These 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 rules or comments on the rules should be submitted by mail to the Ohio Department of Job and Family Services, Office of Legal Services, 30 East Broad Street, 31st Floor, Columbus, Ohio 43215-3414, by fax at (614) 752-8298, or by e-mail at rules@odjfs.state.oh.us. Comments received may be reviewed at this address.