

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

**DATE:** October 22, 2009  
**TIME:** 2:00 p.m.  
**LOCATION:** Room 3110B, Rhodes State Office Tower  
30 East Broad St., Columbus, Ohio 43215

PURSUANT TO SECTION 5111.02 AND CHAPTER 119. OF THE OHIO REVISED CODE, AND 42 CFR 447.205 AND SECTION 1902(a)(13)(A) OF THE SOCIAL SECURITY ACT, THE DIRECTOR OF THE DEPARTMENT OF JOB AND FAMILY SERVICES GIVES NOTICE OF THE DEPARTMENT'S INTENT TO AMEND RULE 5101:3-2-21 ON A PERMANENT BASIS, AND OF A PUBLIC HEARING THEREON.

On September 11, 2009, the Department of Job and Family Services issued a notice starting a public process seeking to amend rule 5101:3-2-21 on an emergency basis to be effective on October 1, 2009. Rule 5101:3-2-21 entitled Policies for outpatient hospital services describes the outpatient policies and payment rates for hospitals that are subject to diagnosis related group (DRG) prospective payment. This rule is being proposed on an emergency basis to be effective on October 1, 2009 and is also being proposed for amendment on a permanent basis. The proposed emergency rule amendment would implement the outpatient hospital, 5 percent rate increase required by Section 309.30.73 of Am. Sub. H.B. 1 of the 128<sup>th</sup> General Assembly for services occurring from October 1, 2009 through June 30, 2011. The proposed changes for the permanent rule include changes made by the emergency rule effective October 1, 2009, and will make additional reimbursement policy changes on a permanent basis to be effective January 1, 2010.

In addition to implementing the outpatient hospital rate increase required by Section 309.30.73 of Am. Sub. H.B. 1 of the 128<sup>th</sup> General Assembly for services occurring from October 1, 2009 through June 30, 2011, the proposed permanent rule will make several necessary outpatient hospital reimbursement changes intended to better align payments for certain services with the overall payments for all outpatient services, and will utilize the re-alignment "savings" to increase payments for certain outpatient services, whose payments are not in line with overall payments for all outpatient services.

The permanent rule specifically makes the following changes:

- Implements new pricing logic for unlisted surgery procedure codes, as described in paragraph (F)(2)(a), to be paid at 50% of cost, instead of the current payment at 69% of charges.
- Implements new pricing logic for independently billed medical supplies and pharmacy, as described in paragraph (K), to be paid at the hospital's Medicaid outpatient per cent (paid at cost), instead of current payment at 50% of charges for medical supplies, and 60% of charges for pharmacy.
- Adds coverage for revenue center code (RCC) 0636 to Appendix B, and requires a Healthcare Common Procedure Code System (HCPCS)/ Current Procedural Terminology (CPT) code when billed; and adds RCC 0636 to paragraph (K) to be included in the pricing logic for independently billed pharmacy.

- Updates text within the rule to define the National Drug Code (NDC) and the billing requirements.
- Updates text within the rule to delete language pertaining to prior service dates.
- Further updates Appendix C, ambulatory surgery groups, with the new fee schedules effective 10/1/2009 (rate increase provided in the emergency rule) and 1/1/2010 (additional increase provided from reimbursement re-alignment).
- Updates Appendix D, clinic facility visits, with the new fee schedule effective 1/1/2010 (from reimbursement re-alignment).
- Further updates Appendix E, emergency room facility services, with the new fee schedules effective 10/1/2009 (rate increase provided in the emergency rule) and 1/1/2010 (additional increase provided from reimbursement re-alignment).
- Updates Appendix F, ancillary services, with the new fees schedule effective 1/1/2010 (from reimbursement re-alignment).
- Increases reimbursement for all immunizations covered under the Vaccines for Children (VFC) program to ten dollars for individuals eighteen years of age or younger effective 1/1/2010.

The department estimates that the 5 percent rate increase required by Section 309.30.73 of Am. Sub. H.B. 1 of the 128<sup>th</sup> General Assembly for services occurring from October 1, 2009 through June 30, 2011 would result in an annualized increase in expenditures of \$19.3 million.

The department anticipates that the reimbursement changes related to implementing a pricing change for unlisted surgery procedure codes and the pricing change for independently billed medical supplies and pharmacy, will result in a decrease in expenditures of \$9.57 million and \$5.41 million respectively on an annual basis. The reduced expenditures for these services will be used to increase the rates paid for certain outpatient ancillary services, outpatient clinic services, ambulatory surgery services and emergency room facility services, for a net no change in the aggregate expenditures for outpatient hospital services (no net fiscal impact due to the reimbursement realignment changes).

Copies of the proposed rule are available, without charge, to any person affected by the rule at the address listed below and at the county departments of job and family services. The rules are also available on the internet at <http://www.registerofohio.state.oh.us/>. A public hearing on the proposed rule 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 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@jfs.ohio.gov](mailto:rules@jfs.ohio.gov). Comments received may be reviewed at this address.