

**MEMORANDUM**

TO: Tom Sico, Bureau of Workers' Compensation

FROM: Paula Steele, Regulatory Policy Advocate

DATE: December 19, 2012

RE: CSI Review – Professional Provider and Medical Services Fee Schedule (OAC 4123-6-08)

On behalf of Lt. Governor Mary Taylor, and pursuant to the authority granted to the Common Sense Initiative (CSI) Office under Ohio Revised Code (ORC) section 107.54, the CSI Office has reviewed the abovementioned administrative rule package and associated Business Impact Analysis (BIA). This memo represents the CSI Office's comments to the Agency as provided for in ORC 107.54.

Analysis

This rule package consists of one Bureau of Workers' Compensation (Bureau) amended draft rule that addresses the Bureau's statutory responsibility to develop "discounted pricing for all in-patient and out-patient medical services, all professional services, and all pharmaceutical services" (ORC 4121.441). The rule contains an appendix which provides coding source information, definitions, reimbursement methodology, provider reimbursements and multiple procedure price reductions. The amended rule and appendix are updated on an annual basis.

The rule and the associated Business Impact Analysis (BIA) were filed with the CSI Office on October 29, 2012, and the comment period for the rule closed on November 23, 2012. No comments were received during the public comment period.

For this rule and its appendix, the Bureau described a comprehensive stakeholder outreach process that began in August 2012. The Ohio Society of Anesthesiologists (OSA) expressed

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concern with the proposed reimbursement of teaching physicians. According to the Bureau, the proposed change to the conversion factor for anesthesia providers maintains a reimbursement level of 199 percent of Medicare reimbursement and therefore meets the Bureau's objective of providing adequate provider reimbursements.

The Bureau quantifies the adverse impact to providers of medical and professional services to injured workers as a decrease in reimbursement levels of 0.7 percent from the prior year. Self-insuring employers who implement the professional provider fee schedule would be subject to an estimated 10 hours of administrative time for the year to comply.

After reviewing the proposed rule, appendix, and the associated BIA, the CSI Office has determined that the rule satisfactorily meets the standards espoused by the CSI Office, and the purpose of the rule justifies the adverse impact identified in the BIA.

Recommendations

For the reasons described above, the CSI Office has no recommendations regarding this rule package.

Conclusion

Based on the above comments, the CSI Office concludes that the Bureau should proceed with the formal filing of this rule package with the Joint Committee on Agency Rule Review.

cc: Stephen Buehrer, Administrator/CEO, Ohio Bureau of Workers' Compensation
Mark Hamlin, Lt. Governor's Office