

**MEMORANDUM**

TO: Jenelle Donovan-Lyle, Ohio Department of Medicaid
FROM: Sydney King, Regulatory Policy Advocate
DATE: August 5, 2013
RE: **CSI Review – Hearing Aids (OAC 5101:3-10-11)**

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 amended rule being proposed by the Ohio Department of Medicaid. Rule 5101:3-10-11 addresses hearing aid coverage and reimbursement for Medicaid consumers. The rule package was filed with the CSI office on June 6, 2013 and the comment period for the rule closed on June 12, 2013. No comments were received during the comment period.

Rule 5101:3-10-11 sets forth a requirement on all Ohio Medicaid hearing aid providers and prescribing providers to submit a certificate of medical necessity when seeking reimbursement for the fitting and dispensing of hearing aids to Medicaid consumers. Under federal law (including sections 1901 and 1905 of the Social Security Act), federal funding is provided to states for providing Medicaid services when those services are medically necessary. The certificate is the mechanism by which Ohio Medicaid assures a recipient's need for the service provided. Additionally, the rule expands the type of hearing aids covered in the Medicaid program to include digital hearing aids.

According to the BIA, industry leaders and stakeholders have had the opportunity to share their views on the amendments. Ohio Medicaid consulted and collaborated with the Ohio Speech & Hearing Government Affairs Coalition, a group of 4,000 licensed speech-language pathologists and audiologist in Ohio, when developing the amendments. Letters of support for the amendments from the Coalition, Columbus Speech & Hearing Center, Cleveland Hearing & Speech Center, and the Hearing, Speech, & Deaf Center of Greater Cincinnati were included with the BIA.

Ohio Medicaid and the CSI Office have engaged in discussions about the rules and BIA, and a revised BIA was submitted to the CSI Office on July 19, 2013. Ohio Medicaid provided additional information on the purpose of the amendments and federal requirements cited.

In discussions, Ohio Medicaid stated the certificate of medical necessity will streamline the prior authorization process and reduce the time for reimbursements to providers as a broader public policy objective. The BIA estimates the adverse impact for a representative provider is \$4.75 per prior authorization requested. This estimate was provided by Ohio Speech & Hearing Government Affairs Coalition. Although the cost per prior authorization requested is significant, the Coalition stated the estimate is the same under both the current rule and the proposed rule.

The BIA does not cite any adverse impact caused by the expansion of the type of hearing aids covered by Medicaid and the CSI office is in agreement. Medicaid will now match private insurance and industry standards and allow hearing aid distributors to provide better services to patients.

The CSI Office is not suggesting any changes with respect to the rule or the revised BIA for the following reasons:

- No comments were received during the public comment period or during the Department's Clearance process.
- The revised BIA submitted by Ohio Medicaid is accurate and complete and does not raise any ongoing issues.
- Generally, the rule package satisfactorily meets the standards espoused by the CSI Office.

Recommendations

For the reasons explained above this office does not have any recommendations regarding this rule package.

Conclusion

The CSI Office concludes that the Department should proceed with the formal filing of this rule package with the Joint Committee on Agency Rule Review.

cc: Mark Hamlin, Director of Regulatory Policy