

**MEMORANDUM**

TO: Jenelle Donovan-Lyle, Ohio Department of Medicaid

FROM: Mark Hamlin, Director of Regulatory Policy

DATE: October 14, 2013

RE: **CSI Review – Site Differential and Reimbursements (OAC 5101:3-1-60, 5101:3-4-02.2, 5101:3-4-09 (*Rescinded*), 5101:3-4-25)**

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 four rules being proposed by the Department of Medicaid related to reimbursement fees for Medicaid services and different rate policies for different settings in which services may be provided. The rules have been reviewed pursuant to the five-year review requirement of ORC 119.032. Three of the rules are being amended, while the fourth (OAC 5101:3-4-09) is being rescinded. The rule package was submitted to the CSI Office on September 20, 2013 and the comment period ended on September 25, 2013. No stakeholder comments were submitted during the review period.

Rule 5101:3-1-60 establishes guidelines for reimbursements for services within the Medicaid system, and Appendix DD establishes maximum fees for more than 1,700 different procedures. Rule 5101:3-4-02.2 creates a framework for Medicaid reimbursing for certain procedures at different rates depending on the setting, since different settings (e.g., hospital vs. doctor's office) may experience different overhead situations. The appendix to the rule is being rescinded, as the fees currently enumerated in the appendix are being moved to Appendix DD of rule 5101:3-1-60.

According to the BIA, changes being proposed in this rule have made rule 5101:3-4-09 obsolete, so that rule is being rescinded. Finally, rule 5101:3-4-25 addresses payments for laboratory and radiology services, and is being proposed with a payment reduction provision to apply when multiple radiology procedures are performed for a patient on the same day.

The BIA identifies the adverse impacts to businesses from the rule package as the changes to reimbursements for providers in the Medicaid system. The rules do not contain any licensure fees or fines. The BIA notes that the rules contain guidelines for submitting claims, but no regulatory reporting requirements. As mentioned above, no comments were submitted during the CSI review period to express concerns about the impact of any of the provisions of the rule package. As such, the adverse impacts from the draft rule package are justified.

Recommendation

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

Conclusion

Based on the above comments, 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.