



Common Sense Initiative

Mike DeWine, Governor
Jon Husted, Lt. Governor

Carrie Kuruc, Director

MEMORANDUM

TO: Tommi Potter, Ohio Department of Medicaid

FROM: Jacob Ritzenthaler, Regulatory Policy Advocate

DATE: May 4, 2020

RE: **CSI Review – Ambulatory Surgery Center Services: Provider Eligibility, Coverage, and Reimbursement (OAC 5160-22-01)**

On behalf of Lt. Governor Jon Husted, 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 proposed by the Ohio Department of Medicaid (ODM). This rule package was submitted to the CSI Office on March 31, 2020, and the public comment period was held open through April 7, 2020. Unless otherwise noted below, this recommendation reflects the version of the proposed rule filed with the CSI Office on March 31, 2020.

Ohio Administrative Code 5160-22-01 sets forth provider eligibility, coverage, and payment requirements for ambulatory surgery centers (ASC). The Enhanced Ambulatory Patient Grouping (EAPG) system reimbursement methodology is established in the rule and is being amended to adjust the rates by which ASC reimbursements are calculated and the methodology used to determine base rates.

During early stakeholder outreach, ODM reviewed the proposed changes to the rule with the Ohio Association of Ambulatory Surgery Centers. The group, which represents industry professionals, was supportive of the proposed changes. No comments were received during the CSI public

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comment period.

The business community impacted by this rule includes all ASCs that provide services through Medicaid. The adverse impacts created by the rule includes the cost of applying for accreditation through the Centers for Medicare & Medicaid Services (CMS), as well as the time and effort spent by providers to request prior authorization for certain procedures. ODM estimates in the BIA that the cost to acquire CMS certification can range from \$3,000 to \$5,000. ODM also estimates that completing requests for prior authorization reflects a negligible impact on businesses, as the process only applies to 258 of the 5,800 procedures. ODM states in the BIA that the rule is necessary to ensure that ASCs become certified and eligible to provide services. ODM also states that the requirements of the rule, namely having standards equivalent to Medicare, prevents businesses from having to duplicate certification processes and fees, which eases the burden placed on providers.

Recommendations

Based on the information above, the CSI Office has no recommendations on this rule package.

Conclusion

The CSI Office concludes that the Ohio Department of Medicaid should proceed in filing the proposed rules with the Joint Committee on Agency Rule Review.