

**Rule Summary and Fiscal Analysis (Part A)****Ohio Department of Medicaid**

Agency Name

Division

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**5160-27-05**

Rule Number

**AMENDMENT**

TYPE of rule filing

Rule Title/Tag Line

**Reimbursement for community mental health medicaid services.****RULE SUMMARY**

1. Is the rule being filed consistent with the requirements of the RC 119.032 review? **No**

2. Are you proposing this rule as a result of recent legislation? **No**

3. Statute prescribing the procedure in accordance with the agency is required to adopt the rule: **119.03**

4. Statute(s) authorizing agency to adopt the rule: **5164.02**

5. Statute(s) the rule, as filed, amplifies or implements: **5164.02, 5164.03, 5164.15, 5164.88**

6. State the reason(s) for proposing (i.e., why are you filing,) this rule:

The rule is being proposed for amendment to implement Medicaid reimbursement rates for existing and new providers participating in the health home program.

7. If the rule is an AMENDMENT, then summarize the changes and the content of the proposed rule; if the rule type is RESCISSION, NEW or NO CHANGE,

then summarize the content of the rule:

This rule sets forth the reimbursement policy for the Medicaid covered Ohio Department of Mental Health and Addiction Services administered mental health services. The changes include the following:

Paragraph (B) references have been changed and language added concerning reimbursement.

Paragraph (I) new language was added concerning the new reimbursement methodology.

Paragraph (J) was added with language previously found in paragraph (I).

An appendix that includes the new reimbursement base rates is added.

8. If the rule incorporates a text or other material by reference and the agency claims the incorporation by reference is exempt from compliance with sections 121.71 to 121.74 of the Revised Code because the text or other material is **generally available** to persons who reasonably can be expected to be affected by the rule, provide an explanation of how the text or other material is generally available to those persons:

This rule incorporates one or more references to another rule or rules of the Ohio Administrative Code. This question is not applicable to any incorporation by reference to another OAC rule because such reference is exempt from compliance with RC 121.71 to 121.74 pursuant to RC 121.76(A)(3).

This rule incorporates one or more dated references to the Code of Federal Regulations (CFR). This question is not applicable to any dated incorporation by reference to the CFR because such reference is exempt from compliance with RC 121.71 to 121.74 in accordance with RC 121.75(D).

9. If the rule incorporates a text or other material by reference, and it was **infeasible** for the agency to file the text or other material electronically, provide an explanation of why filing the text or other material electronically was infeasible:

Not applicable.

10. If the rule is being **rescinded** and incorporates a text or other material by reference, and it was **infeasible** for the agency to file the text or other material, provide an explanation of why filing the text or other material was infeasible:

*Not Applicable.*

11. If **revising** or **refiling** this rule, identify changes made from the previously filed version of this rule; if none, please state so. If applicable, indicate each specific paragraph of the rule that has been modified:

Previous language found in paragraph (H)(3) and (H)(4) is removed. Paragraph (H)(3) is new language describing the reduced case rate and time period of implementation.

Paragraph (I) is revised to list the counties in alphabetical order. Language is deleted concerning rates being based on health home enrollee risk scores.

Paragraph (J) is new language added to address the billing policy for health home enrollees who are also enrolled in MyCare Ohio.

RSFA responses to the following questions were changed from the original filed version: #6; #13; and #15.

12. 119.032 Rule Review Date: **10/1/2015**

(If the rule is not exempt and you answered NO to question No. 1, provide the scheduled review date. If you answered YES to No. 1, the review date for this rule is the filing date.)

NOTE: If the rule is not exempt at the time of final filing, two dates are required: the current review date plus a date not to exceed 5 years from the effective date for Amended rules or a date not to exceed 5 years from the review date for No Change rules.

### **FISCAL ANALYSIS**

13. Estimate the total amount by which *this proposed rule* would **increase/decrease** either **revenues /expenditures** for the agency during the current biennium (in dollars): Explain the net impact of the proposed changes to the budget of your agency/department.

This will increase expenditures.

\$67,692,000

The estimated expenditures for the second phase of the Health Homes program are \$67,692,000 for State Fiscal Year 2015. Implementing the Health Homes program, however, is expected to result in three fiscal offsets. The first offset is to the state matching dollars portion of the expenditure. For the first eight quarters of the

program, the state matching portion will be reduced by ten percent. The Federal Financial Participation (FFP) for this time period will be ninety percent. The second offset is from reduced CPST use for consumers receiving Health Home services. The third offset is expected from savings resulting from better coordinated care.

\$10,098,000 of the above amount is due to the impact of maintaining health home eligibility status of current health home enrollees who do not meet the new eligibility criteria described in 5160-27-02 (A)(7).

14. Identify the appropriation (by line item etc.) that authorizes each expenditure necessitated by the proposed rule:

651525

15. Provide a summary of the estimated cost of compliance with the rule to all directly affected persons. When appropriate, please include the source for your information/estimated costs, e.g. industry, CFR, internal/agency:

The amendments in this rule will change the Medicaid reimbursement rates for health home services. Compliance with this rule will have zero impact on existing and newly enrolled providers. Existing providers of health home services will experience a ten percent reduction in their current rates. However, the impact of this reduction will be at least partially offset by the fact that these providers no longer have the burden of project startup costs from a project initiated in October 2012. Newly participating providers will not be affected because if the net anticipated cost of providing services is negative based on their individual business model, they can choose to not participate in this particular health homes program.

16. Does this rule have a fiscal effect on school districts, counties, townships, or municipal corporations? **No**

17. Does this rule deal with environmental protection or contain a component dealing with environmental protection as defined in R. C. 121.39? **No**

**S.B. 2 (129th General Assembly) Questions**

18. Has this rule been filed with the Common Sense Initiative Office pursuant to R.C. 121.82? **No**

19. Specific to this rule, answer the following:

A.) Does this rule require a license, permit, or any other prior authorization to engage in or operate a line of business? **No**

B.) Does this rule impose a criminal penalty, a civil penalty, or another sanction, or create a cause of action, for failure to comply with its terms? **No**

C.) Does this rule require specific expenditures or the report of information as a condition of compliance? **No**