

**FEDERAL MEDICAID NOTICE AND PUBLIC HEARING NOTICE
OHIO DEPARTMENT OF JOB AND FAMILY SERVICES**

DATE: November 9, 2009
TIME: 1:00 p.m.
LOCATION: Room 1948, Vern Riffe Center
77 South High Street, Columbus, OH 43215

Pursuant to section 5111.02 and Chapter 119. of the Ohio Revised Code and 42 CFR 447.205, the director of the Department of Job and Family Services gives notice of the Department's intent to consider the amendment of the rules as identified below and of a public hearing thereon. These rules are being amended to attain cost savings prescribed in Section 309.30.75 of Am. Sub. H.B. 1, which requires the Department to reduce the reimbursement rates for specified Medicaid providers to result in an amount that is at least three per cent lower than the rates in effect on December 31, 2009. Other changes to the rules are being made as identified below.

In contemplating the impact of this budget initiative, the Department analyzed provider maximum rates and types of services rendered to ensure that access to quality health care is maintained for all Medicaid consumers. The Department also sought input from affected stakeholders. For many services, this analysis and input have resulted in a proposed three per cent reduction in the maximum Medicaid reimbursement rates. However, the Department has determined that a three per cent reduction is not appropriate for certain other services, and other adjustments have been made to arrive at an aggregate savings of three percent effective for dates of service on and after January 1, 2010. For dental services, instead of proposing a rate adjustment, the Department is proposing a changed schedule for covered periodic examinations and prophylaxis, from one every 180 days to one every 365 days. Specific information regarding each of the affected services is set forth in the descriptions of individual rules below.

The proposals will result in annual savings estimated at approximately \$22,874,174. The Department believes that the proposed changes to provider maximum payment rates and covered services will not hinder the ability of Medicaid consumers to access quality care and services, because the rates will still be sufficient to enlist sufficient providers to serve these consumers.

Rule 5101:3-1-60, entitled Medicaid Reimbursement, sets forth Medicaid maximum reimbursement amounts for services provided by a wide variety of providers. The proposed payment changes affecting specific provider types reimbursed through this rule are as follows:

The maximum reimbursement amount for each of the Healthcare Common Procedural Coding System (HCPCS) codes billed by ambulance and ambulette providers has been reduced by three percent, resulting in annual savings of approximately \$1,098,661.

The maximum reimbursement amount for each of the nine surgical groupings billed by ambulatory surgery centers has been reduced by three percent, resulting in annual savings of approximately \$82,260.

The maximum reimbursement amount for each of the Current Procedural Terminology (CPT) codes billed by chiropractors has been reduced by three percent, resulting in annual savings of approximately \$16,339.

The maximum reimbursement amount for each of the incontinent garment HCPCS codes billed by durable medial equipment (DME) suppliers has been reduced by 13 percent, resulting in annual savings of approximately \$3,362,752.

The maximum reimbursement amount for each of the HCPCS codes billed by DME suppliers for orthotics and prosthetics has been reduced by three percent, resulting in annual savings of approximately \$335,717.

The maximum reimbursement amount for each CPT and HCPCS code billed by freestanding laboratories has been reduced by three percent, resulting in annual savings of approximately \$569,824.

The maximum reimbursement amount for each of the CPT codes billed by physical, occupational and speech therapists has been reduced by three percent, resulting in annual savings of approximately \$388,099.

The maximum reimbursement amount for each of the CPT vision codes billed by opticians, optometrists and physicians has been reduced by three percent, resulting in annual savings of approximately \$228,490.

The maximum reimbursement amount for any CPT code has been reduced from 100 to 90 percent of the Medicare price. This reduction affects 606 codes and results in annual savings of approximately \$5,459,678. Four hundred forty-five of these were surgical codes, 94 were radiology codes, and 67 were medicine codes.

The maximum reimbursement amount for CPT codes for targeted developmental screening billed by providers of physician services has been increased by 10 percent, resulting in an increase in annual expenditures of approximately \$21,321.

Two unrelated changes are being made to the pricing in 5101:3-1-60 at this time to comply with recent findings by the Auditor of State. The Medicaid maximum reimbursement amount for HCPCS code E0305, bed side rails, is being decreased from \$185.02 to \$185.01. The maximum reimbursement amount for HCPCS code E2366, wheelchair battery charger, is

being increased from \$202.00 to \$210.90. The impact of these changes on annual expenditures will be negligible.

Rule 5101:3-4-21.2, entitled Anesthesia Conversion Factors, sets forth maximum reimbursement amounts for services provided by anesthesiologists, anesthesia assistants and certified registered nurse anesthetists. The maximum reimbursement amount for each of the conversion factors billed by these providers has been reduced by three percent, resulting in annual savings of approximately \$194,457.

Rule 5101:3-5-02, entitled Dental Program: Covered Diagnostic Services and Limitations, sets forth the coverage criteria for oral examinations and diagnostic imaging in the dental program. Covered periodic oral examinations for adults age 21 years and older have been reduced from one every 180 days to one every 365 days, resulting in annual savings of approximately \$200,946.

Rule 5101:3-5-04, entitled Dental Program: Covered Preventive Services and Limitations, sets forth the coverage criteria for preventive services in the dental program. Covered dental prophylaxis for adults age 21 years and older has been reduced from one every 180 days to one every 365 days, resulting in annual savings of approximately \$491,720.

Rule 5101:3-10-05, entitled Reimbursement for Covered Services, sets forth among other things the manner in which providers may bill and be reimbursed for durable medical equipment (DME). Some DME items are reimbursed at maximum of 75 percent of the list price. This maximum figure has been reduced by three percent. Some DME items are reimbursed at a maximum of 150 percent of the provider's invoice price. This maximum figure has been reduced by three percent. Taken together, these reductions are estimated to result in annual savings of approximately \$272,067. The body of rule 5101:3-10-05 has also been modified as part of five year rule review in order to provide additional clarification of existing department policy regarding reimbursable costs and documentation.

Rule 5101:3-10-26, entitled Enteral Nutritional Products, sets forth coverage criteria and reimbursement policies for enteral nutrition products. Some enteral nutrition products are reimbursed at a maximum of the supplier's average wholesale price minus 20 percent. This maximum figure has been reduced by three percent, resulting in annual savings of approximately \$285,921.

Rule 5101:3-12-05, entitled Reimbursement: Home Health Services, sets forth maximum reimbursement amounts for home health nursing, home health nursing aide, physical therapy, occupational therapy, and speech-language pathology. The maximum reimbursement rate for each of the HCPCS codes billed by these providers has been reduced by three percent, resulting in annual savings of approximately \$5,676,688.

Rule 5101:3-12-06, entitled Reimbursement: Private Duty Nursing Services, sets forth maximum reimbursement amounts for private duty nurses. The maximum reimbursement amount for the single HCPCS code billed by private duty nurses has been reduced by three percent, resulting in annual savings of approximately \$4,231,876.

Copies of the proposed rules are available, without charge, to any person affected by the rules at the address listed below and at the county departments of job and family services. The rules are also available on the internet at <http://www.registerofohio.state.oh.us/>. A public hearing on the proposed rules will be held at the date, time, and location listed at the top of this notice. Either written or oral testimony will be taken at the public hearing. Additionally, written comments submitted or postmarked no later than the date of the public hearing will be treated as testimony.

Requests for a copy of the rules or comments on the rules should be submitted by mail to the Ohio Department of Job and Family Services, Office of Legal Services, 30 East Broad Street, 31st Floor, Columbus, Ohio 43215-3414, by fax at (614) 752-8298, or by e-mail at rules@jfs.ohio.gov. Comments received may be reviewed at this address.