

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

Agency Name

Division

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**5160-10-16**

Rule Number

**NEW**

TYPE of rule filing

Rule Title/Tag Line

**DMEPOS: Wheelchairs.****RULE SUMMARY**1. Is the rule being filed for five year review (FYR)? **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, 5165.01, 5165.47**

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

This rule is being proposed to update policy governing the administration of the Medicaid program and to meet five-year review requirements.

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:

New rule 5160-10-16, "DMEPOS: wheelchairs," sets forth coverage and payment

policies for wheelchairs, related accessories, seating options, and wheelchair rental. This rule replaces rescinded rules 5160-10-16 and 5160-10-16.1.

The new rule incorporates many substantive changes:

- \* The Medicare wheelchair groupings for power mobility devices are adopted. As a result, the current handful of procedure codes in the claim-payment system that represent power wheelchairs are replaced by dozens of additional, item-specific codes, each with its own maximum payment amount (which is often less than the amount currently paid).
- \* The concept of a basic equipment package is adopted. When a wheelchair is purchased, no separate payment is made for items in the basic equipment package.
- \* Definitions are clarified or created for key terms: basic equipment package, complex rehabilitation technology (CRT), custom wheelchair, customized seating system, individualized seating system, and need verification.
- \* Payment is allowed for a manual wheelchair in addition to a power mobility device if having that backup wheelchair significantly improves an individual's mobility and is cost-effective.
- \* Payment is allowed for the professional evaluation of an individual's needs for a wheelchair.
- \* A replacement schedule for equipment, parts, and accessories is established. The distinction between major and minor repairs is eliminated. Need verification rather than prior authorization is applied to most repair requests and to replacement requests that do not exceed the established frequency guidelines. Replacement requests for wear items (e.g., caster bearings, tires, arm pads) are exempted from need verification.
- \* Maximum payment amounts for equipment, parts, and accessories are specified by formula (a percentage of Medicare fee-for-service allowed amounts).
- \* A maximum payment amount for labor is established and specified by formula (based in part on a U.S. Bureau of Labor Statistics hourly wage for medical equipment repair technicians and on certain mileage assumptions).
- \* Three existing wheelchair-related certificates of medical necessity (CMNs) are merged into a single new form.

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 an ODM form or forms. Each form, in accordance with RC 121.75(E), is generally available through the ODM web site (<http://medicaid.ohio.gov>) to persons affected by this rule.

This rule incorporates one or more dated references to standards published by the United States Bureau of Labor Statistics and the Internal Revenue Service. These standards are generally available to persons affected by this rule via the web sites specified in the body of the rule, in accordance with RC 121.75(E).

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:

*Not Applicable.*

12. Five Year Review (FYR) Date:

(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 have no impact on revenues or expenditures.

\$0

This rule divides wheelchairs into groups on the basis of performance, features, and other characteristics, thereby allowing more differentiated payment for individual wheelchairs. This provision is likely to reduce ODM expenditures.

This rule sets payment for new equipment at 90% of the corresponding Medicare allowed amount. This provision is likely to reduce ODM expenditures for some wheelchairs and to increase expenditures for others.

This rule allows payment for wheelchair evaluations and for backup manual wheelchairs in certain circumstances. These two provisions will increase ODM expenditures.

ODM estimates that the reductions and increases will generally offset each other.

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

651-525

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:

Payment for most wheelchairs requires prior authorization (PA). The department estimates that the submission of a PA request, which must be accompanied by a completed certificate of medical necessity, costs between \$1.75 (five minutes at \$20.93 per hour) and \$23.61 (thirty minutes at \$47.22 per hour).

Under the existing rule, which is now unique to Ohio, only two procedure codes are recognized for power mobility devices. For each Ohio Medicaid claim, suppliers must take the extra step of deciding which of the two codes better represents the item being provided. The adoption of standard wheelchair groups and their associated procedure codes (more than 60 in all) will allow suppliers to submit claims to Medicaid in the same way as they do to other payers, without having to

go through the extra process of translation into Ohio's system. This standardization, coupled with the revision of the certification form, will actually reduce the cost of compliance.

The fiscal impact on any individual supplier cannot be predicted, because it depends on which particular wheelchair models are provided.

16. Does this rule have a fiscal effect on school districts, counties, townships, or municipal corporations? **Yes**

You must complete Part B of the Rule Summary and Fiscal Analysis in order to comply with Am. Sub. S.B. 33 of the 120th General Assembly.

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? **Yes**

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? **Yes**

This rule requires the report of information.

**Rule Summary and Fiscal Analysis (Part B)**

1. Does the Proposed rule have a fiscal effect on any of the following?

(a) School Districts	(b) Counties	(c) Townships	(d) Municipal Corporations
<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>

2. Please provide an estimate in dollars of the cost of compliance with the proposed rule for school districts, counties, townships, or municipal corporations. If you are unable to provide an estimate in dollars, please provide a written explanation of why it is not possible to provide such an estimate.

To the extent that a Medicaid provider is an entity controlled by a school district, county, township, or municipal corporation, it could be affected by the proposed rule.

The changes in this rule may reduce Medicaid payment for some providers and increase it for others. Providers will be subject to a cost of compliance when they submit claims for the affected services. The department cannot provide an estimate of the impact on a particular provider, however, because the amount of any reduction will depend on which wheelchair models are provided.

3. If the proposed rule is the result of a federal requirement, does the proposed rule exceed the scope and intent of the federal requirement? **No**

4. If the proposed rule exceeds the minimum necessary federal requirement, please provide an estimate of, and justification for, the excess costs that exceed the cost of the federal requirement. In particular, please provide an estimate of the excess costs that exceed the cost of the federal requirement for (a) school districts, (b) counties, (c) townships, and (d) municipal corporations.

*Not Applicable.*

5. Please provide a comprehensive cost estimate for the proposed rule that includes the procedure and method used for calculating the cost of compliance. This comprehensive cost estimate should identify all of the major cost categories including, but not limited to, (a) personnel costs, (b) new equipment or other capital costs, (c) operating costs, and (d) any indirect central service costs.

Comprehensive cost estimates are provided in the following sections.

(a) Personnel Costs

The department does not expect that the proposed rule will result in any increase to Medicaid providers in personnel costs.

(b) New Equipment or Other Capital Costs

The department does not expect that the proposed rule will result in any increase to Medicaid providers in new equipment or other capital costs.

(c) Operating Costs

The department does not expect that the proposed rule will result in any increase to Medicaid providers in operating costs.

(d) Any Indirect Central Service Costs

The department does not expect that the proposed rule will result in any increase to Medicaid providers in indirect central service costs.

(e) Other Costs

The department cannot provide an estimate of the impact on a particular provider, because the amount of any increase or reduction will depend on which products or services are provided and how often they are provided.

6. Please provide a written explanation of the agency's and the local government's ability to pay for the new requirements imposed by the proposed rule.

Incorporation of the proposed payment structure changes into the department's claim-processing system is part of the administration of the Medicaid program; it entails no significant new costs for the department.

No implementation cost is anticipated for any local government or political subdivision.

7. Please provide a statement on the proposed rule's impact on economic development.

This proposed rule has no discernible impact on economic development.