



Department of
Job and Family Services

Ted Strickland, Governor
Douglas E. Lumpkin, Director

September 9, 2009

Dear Colleagues:

I am writing today regarding a number of rules that will implement expenditure reductions prescribed in Amended Substitute H.B. 1 (Am. Sub. H.B. 1), the SFY 2010-2011 budget. Am. Sub. H.B.1 requirements include more than two dozen significant policy and reimbursement changes that are needed to achieve a balanced budget in this time of significant economic difficulty. While there are a number of positive changes occurring in our programs and services, today's information will address the following changes to achieve expenditure reductions. Each of these will have an effective date of **January 1, 2010**.

- ODJFS Community Provider Rate Decreases—reduction in reimbursement rates for certain providers of community services
- Dispensing Fee Reductions--reductions in the amount paid to pharmacists for each noncompounded prescription that is dispensed

Community Provider Rate Decreases

The following rules are being placed in clearance to make the changes effective January 1, 2010:

5101:3-1-60	5101:3-10-05
5101:3-4-21.2	5101:3-10-26
5101:3-5-02	5101:3-12-05
5101:3-5-04	5101:3-12-06

The rate reductions will result in an aggregate decrease of three percent to community provider rates. An aggregate rate reduction means not all provider rates will be cut. In contemplating the impact of this budget initiative, we analyzed provider rates and the types of services rendered to ensure that access to quality health care is maintained for all Medicaid consumers. This policy change will impact a number of community providers, including those listed below.

30 East Broad Street
Columbus, Ohio 43215
jfs.ohio.gov

An Equal Opportunity Employer and Service Provider

Advance Practice Nurses
Ambulance and Ambulette providers
Ambulatory Health Care Clinics
(excluding FQHCs and RHCs)
Ambulatory Surgery Centers
Chiropractors
Dentists
Durable Medical Equipment suppliers
Freestanding Laboratories
Home Health Agencies
Home Health Nurses

Home Health Aides
Non-agency Nurses
Occupational Therapists
Opticians
Optometrists
Orthotists
Physical Therapists
Physicians
Podiatrists
Prosthetists

In addition to state plan community provider fee reductions, providers of all ODJFS-administered waiver services (Ohio Home Care Waiver, Transitions MR/DD Waiver and Transitions Carve-Out Waiver) that have Medicaid maximum rates established in rule will see a three percent rate reduction for services delivered on or after January 1, 2010.

Pharmacy Dispensing Fee Reductions

Rule 5101:3-9-05 is being placed in Clearance to make the changes effective January 1, 2010. The amount paid to pharmacies for non-compounded prescriptions will be reduced to \$1.80.

In recent days, I or other Ohio Health Plan leadership staff have been in touch with some of you regarding these changes to the community provider rates and pharmacy dispensing fee. However, in light of the tight timeframes, we have not been able to talk to each of your organizations individually. Our goal is to maintain essential access to these critical services, while achieving the mandated expenditure reductions. Please do not assume that because the clearance process has been initiated these are “cast in stone”. As the rules go through our Clearance process we will review all the feedback we receive and make changes that would still allow us to meet our reductions in expenditures as mandated by Am. Sub. H.B. 1 while allowing for continued access to quality care. We invite any suggestions you have about how to implement these changes in a fashion that will be least painful for your constituency and those you serve, while still maintaining our statutory obligations.

You will also receive the normal notifications through the JFS Clearance process for these rules, and as the rules become available for review, they can be found at <http://www.odjfs.state.oh.us/clearances/public/index.aspx>.

H1N1 Flu

I would also like to take this opportunity to echo the message of Dr. Jackson, Director of ODH and other public health officials regarding the H1N1 flu. Having traveled in China this summer, I experienced the serious attention being given to this. We were required to have our temperature taken each time we entered our hotel, in every city throughout our stay! All of us are hopeful that the public health impact will not be severe, but it is important that everyone do their part. Encourage your employees and those you serve to take the precautions and get the vaccinations that their health care professional

recommends for them. Please be aware that we have initiated the Clearance process for Medicaid rules that will allow providers to be paid for administering the H1N1 pandemic influenza vaccine. The vaccine will be federally funded and available to both children and adults. Providers will be paid an administration fee of \$10.00 for providing the vaccine.

Please feel free to get in touch with us if you have any questions or comments.

Sincerely,



Maureen M. Corcoran
Interim State Medicaid Director

CC: Douglas Lumpkin, ODJFS Director
ODJFS Executive Staff
Office of Ohio Health Plan staff
Dr. Mary Applegate, OHP Medical Director
Director Alvin Jackson, MD, ODH
Director John Martin, DODD
Director Sandy Stephenson, ODMH
Director Angela Dawson, ODADAS
Director Barbara Riley, ODA
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Robin Harris, Governor's Office
