

DEPARTMENT OF HEALTH CARE FINANCE

NOTICE OF FINAL RULEMAKING

The Director of the Department of Health Care Finance (DHCF), pursuant to the authority set forth in An Act to enable the District of Columbia to receive federal financial assistance under Title XIX of the Social Security Act for a medical assistance program, and for other purposes approved December 27, 1967 (81 Stat.774; D.C. Official Code § 1-307.02 (2001 Ed) and section 6(6) of the Department of Health Care Finance Establishment Act of 2007, effective February 27, 2008 (D.C. Law 17-109; D.C. Official Code § 7-771.05(6) (2001;Supp 2008), hereby gives notice of the adoption of an amendment to section 995 (Medicaid Physician and Specialty Services Rate Methodology) of chapter 9 (Medicaid Program) of title 29 (Public Welfare) of the District of Columbia Municipal Regulations (DCMR).

In Fiscal Years (FY) 2009 and 2010, the District experienced an unprecedented growth in unemployment from five and seven hundredth percent (5.7%) to eleven percent (11%). During this period, the Medicaid program has experienced huge pressures in enrollment.

Medicaid reimbursement rates for fee-for-service physician and specialty services are consistent with the rates paid by the Medicare program. Beginning FY 2011, physician and specialty services shall be reimbursed at eighty percent (80%) of the Medicare rate. DHCF projects an annual decrease in aggregate expenditures of eight and one hundredth million dollars (\$ 8.1 million) as a result of the reduced reimbursement rate in FY 11.

The District of Columbia State Plan for Medical Assistance (State Plan) must be approved by Council of the District of the District of Columbia (Council) and the U.S. Department of Health and Human Services, Centers for Medicare and Medicaid Services (CMS) to reflect these changes. On March 14, 2011, the Council approved the State Plan. See PR-0055. On October 17, 2011, CMS approved the corresponding State Plan amendment with an effective date of January 1, 2011.

A Notice of Emergency and Proposed Rulemaking was published in the *D.C. Register* on October 8, 2010, at 57 DCMR 950. No comments have been received. No substantive change has been made. The Director adopted these final rules on January 3, 2012. The October 8, 2010, notice included language that these rules would become effective for services rendered on or after October 9, 2010, if the corresponding State Plan amendment has been approved by CMS with an effective date of October 9, 2010, or the effective date established by CMS in its approval of the corresponding State Plan amendment, whichever is later. Since CMS approved the State Plan with an effective date of January 1, 2011, these rules shall be effective for services rendered beginning January 1, 2011.

Section 995 (Medicaid Physician and Specialty Services Rate Methodology) of chapter 9 (Medicaid Program) of title 29 (Public Welfare) of the DCMR is amended as follows:

Subsections 995.1 and 995.2 are amended to read as follows:

- 995.1 For services rendered on or after January 1, 2011, Medicaid reimbursement rates for fee-for-service physician and specialist services shall be eighty percent (80%) of the rates paid by the Medicare Program as set forth in this section.
- 995.2 For services where the physician and specialist service procedure code falls within the Medicare (Title XVIII) fee schedule, payment shall be the lesser of the Medicare rate established pursuant to subsection 995.1 or the providers' actual charges to the general public.