

DEPARTMENT OF HEALTH CARE FINANCE**NOTICE OF FINAL RULEMAKING**

The Director of the Department of Health Care Finance, 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. 744; D.C. Official Code § 1-307.02 (2006 Repl. & 2012 Supp.)), 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)(2008 Repl.)), hereby gives notice of the adoption of an amendment to Section 995 (Medicaid Physician and Specialty Service Rate Methodology) of Chapter 9 (Medicaid Program) of Title 29 (Public Welfare) of the District of Columbia Municipal Regulations (DCMR).

The purpose of these rules is to provide a one-time, lump-sum, supplemental payment for physician and specialty services to each provider that participated in the District's Medicaid program between January 1, 2011 and February 29, 2012. The purpose of the supplemental payment is to reduce the adverse impact of a retroactive 20% rate reduction on physician and specialty service providers that became effective on January 1, 2011 and was implemented on March 1, 2012. There will not be a net financial impact to either the District or the providers from implementation of these rules.

The corresponding amendment to the District of Columbia State Plan for Medical Assistance ("State Plan") was approved on April 29, 2013 by the U.S. Department of Health and Human Services, Centers for Medicare and Medicaid Services (CMS) after being deemed approved by the Council of the District of Columbia on January 18, 2013, PR20-0030. The effective date of the State Plan amendment is May 1, 2013.

A notice of proposed rulemaking was published in the *D.C. Register* on March 29, 2013 (60 DCR 004861). No comments were received and no substantive changes have been made. These final rules were adopted by the Director on July 26, 2013 and shall become effective on the date of publication of this notice in the *D.C. Register*.

Section 995 (Medicaid Physician and Specialty Services Rate Methodology) of Chapter 9 (Medicaid Program) of Title 29 (Public Welfare) of the DCMR is amended by adding Sections 995.7 through 995.11 to read as follows:

- 995.7 The Department of Health Care Finance (DHCF) shall provide a supplemental payment to participating providers of physician and specialty services in accordance with the requirements set forth in Section 995.4 through 995.7.
- 995.8 To qualify for a supplemental payment, a provider must have participated in the Medicaid program and have paid claims for physician and specialty services between the period January 1, 2011 and February 29, 2012.
- 995.9 For each provider who qualifies for payment in accordance with Section 995.4, DHCF shall:

- (a) Establish a fund that shall be equal to and shall not exceed the difference between one hundred percent (100%) of the Medicare rate in effect for the period referenced in Section 995.4 and eighty percent (80%) of the Medicare rate in effect for the period referenced in Section 995.4 (Medicaid payment rate) for all claims paid to that provider between January 1, 2011 and February 29, 2012;
- (b) Pay a provider-specific supplemental payment based on the claims submitted to DHCF during the three (3) month period beginning May 1, 2013; and
- (c) Make certain that the total amount paid to each provider shall not exceed the amount set forth in Section 995.5(a).

995.10 The supplemental payment shall be calculated as the total of each provider's fund, divided by the paid claims submitted for the payment period by each provider and added proportionally to the fee-for-service rate paid to that provider during the payment period.

995.11 All payments shall be made as a lump sum adjustment at the end of the defined three month payment period.