

SPARC
Polycarbonate Rate Change

1. Is this a "Rate Change" or a "Method Change"?
Rate Change

- 1b. Is this change an increase, decrease, or no impact?
Decrease

2. Presentation of issue – Why is change being made?

The OHCA has paid \$6.45 million dollars for polycarbonate lenses for CY 2014 based on claims data retrieved April 2015. Current payment for frames for CY 2014 is less at \$5.73 million, and single vision lenses totals \$6.57 million in CY 2014.

Other states pay for polycarbonate lenses based on diagnosis (for members with high probability of falls); based on age limitations (up to 7 years old in Iowa); or require PA for this service. Oklahoma has no limitations on polycarbonate other than "when medically necessary".

The rate was \$7.06 per lens until 2007, when it was restructured and changed to \$34.01 per lens. The rate was restructured in September 2007 to align with CMS DME pricing. However, our understanding is the CMS rate is indicative of the lens AND polycarbonate (as one unit), not as an add on code, in addition to the lens.

3. Current methodology and/or rate structure.

Current rate is set at max fee methodology, and for BR2015 is set at \$30.35 per lens. (HCPC V2784), resulting in a payment of \$60.70 per pair of glasses for polycarbonate lens.

4. New methodology or rate.

Many states bundle polycarbonate lens into the cost of the lens. Some states have sole source providers and do not pay separately for polycarbonate lens. The cost of polycarbonate lens to the provider is between \$9.00 to \$25.00 per pair of glasses, depending on single vision or plastic lenses.

Some states reimburse between \$4.57 to \$45.00 for polycarbonate lens.

OHCA proposes to decrease the reimbursement of the polycarbonate lens to \$10.00 per unit, or \$20.00 per pair of glasses.

5. Budget estimate.

Based on the number of units reimbursed for CY14, should the reimbursement of V2784 polycarbonate lenses be reduced to \$10.00 per lens, the estimated annual cost for polycarbonate lens would change from \$6.45 million to \$2.36 million, a total cost savings of \$4,150,150, with state savings of \$1,471,505.

6. Agency estimated impact on access to care.

There is no impact to access to care estimated. Reimbursement will still cover the cost of the polycarbonate lens.

7. Rate or Method change in the form of a motion.

The agency requests the SPARC to approve the new reimbursement methodology.

8. Effective date of change.

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July 1, 2015.

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