

Oklahoma Health Care Authority

It is very important that you provide your comments regarding the proposed rule change by the comment due date. Comments are directed to Oklahoma Health Care Authority (OHCA) Health Policy Unit <http://www.okhca.org/proposed-rule-changes.aspx>

OHCA COMMENT DUE DATE: July 20, 2016

The proposed policy is an Emergency Rule. This proposal is scheduled to be presented to the Medical Advisory Committee (MAC) on July 21, 2016 and the (OHCA) Board of Directors on August 11, 2016.

Reference: APA WF 16-02

SUMMARY:

Policy Revision to Modify Reimbursement Structure for Eyeglasses

– Proposed policy changes will modify the reimbursement structure for eyeglasses.

LEGAL AUTHORITY

The Oklahoma Health Care Authority Board; The Oklahoma Health Care Authority Act, Section 5003 through 5016 of Title 63 of Oklahoma Statutes; 42 CFR §440.120

RULE IMPACT STATEMENT:

STATE OF OKLAHOMA OKLAHOMA HEALTH CARE AUTHORITY

TO: Tywanda Cox
Health Policy

FROM: Harvey Reynolds
Health Policy

SUBJECT: Rule Impact Statement
APA WF # 16-02

A. Brief description of the purpose of the rule:

Proposed rule revisions will allow SoonerCare contracted providers of vision services to be reimbursed separately for refraction in an eye exam. In addition, revisions allow SoonerCare contracted suppliers of eyeglasses to be reimbursed separately for a fitting fee if the requirements of a fitting fee are met. Additionally rule revisions

specify that all non-high-index lenses must be polycarbonate. These proposed rule revisions are part of the modification of the reimbursement structure for eyeglasses in which a lower rate will be paid for frames and lenses to achieve savings for the state.

- B. A description of the classes of persons who most likely will be affected by the proposed rule, including classes that will bear the cost of the proposed rule, and any information on cost impacts received by the agency from any private or public entities:

SoonerCare providers who currently furnish and are reimbursed for eyeglasses frames and lenses will be affected by the proposed rule because a lower reimbursement rate was negotiated with the current eyeglass providers to achieve savings comparable to what would be achieved under a single contracted vendor.

- C. A description of the classes of persons who will benefit from the proposed rule:

There are no classes of persons who will benefit from the proposed rule.

- D. A description of the probable economic impact of the proposed rule upon the affected classes of persons or political subdivisions, including a listing of all fee changes and, whenever possible, a separate justification for each fee change:

The proposed rule may have an adverse economic impact on providers who provide eyeglasses frames and lenses because they will receive a lower reimbursement rate; however, the proposed rule may result in savings for the state.

- E. The probable costs and benefits to the agency and to any other agency of the implementation and enforcement of the proposed rule, the source of revenue to be used for implementation and enforcement of the proposed rule, and any anticipated affect on state revenues, including a projected net loss or gain in such revenues if it can be projected by the agency:

The proposed budget estimate for SFY2017 is an annual total cost savings of \$3,944,720, with a state savings of \$1,580,255. This estimate is based on the number of frames (123,880), lens

(139,493) and polycarbonate (119,737) purchased by OHCA in SFY2015 and the total amount paid which is \$14,228,000 after an adjustment for the polycarbonate due to a recent rate reduction. The future projection is for a total amount paid of \$10,283,280 for an annual cost savings of \$3,944,720. The projected total amount paid is broken down into: new refraction fee of $\$16.63 \times 123,880 = \$2,060,125$; new fitting fee of $\$28.48 \times 123,880 = \$3,528,103$; payment for frames (V2020) of $\$10.00 \times 123,880 = \$1,238,800$; and payment for lens (V2100 - V2114 and V2200 - V2214) of $\$13.95 \times 123,880 \times 2 = \$3,456,252$ for a total amount paid of \$10,283,280.

- F. A determination of whether implementation of the proposed rule will have an economic impact on any political subdivisions or require their cooperation in implementing or enforcing the rule:

The proposed rule will not have an economic impact on any political subdivision or require their cooperation in implementing or enforcing the rule.

- G. A determination of whether implementation of the proposed rule will have an adverse effect on small business as provided by the Oklahoma Small Business Regulatory Flexibility Act:

The agency does not anticipate that the proposed rule will have an adverse effect on small businesses that furnish eyeglasses frames and lenses.

- H. An explanation of the measures the agency has taken to minimize compliance costs and a determination of whether there are less costly or non-regulatory methods or less intrusive methods for achieving the purpose of the proposed rule:

The agency has taken measures to determine that there are no other legal methods to achieve the purpose of the proposed rule. Measures include multiple meetings with the Oklahoma Association of Optometric Physicians as well as a formal public comment period and tribal consultation.

- I. A determination of the effect of the proposed rule on the public health, safety and environment and, if the proposed rule is designed to reduce significant risks to the public health, safety and environment, an explanation of the nature

of the risk and to what extent the proposed rule will reduce the risk:

The proposed rule should reduce risks to the public health, safety and environment by resulting in budget savings.

- J. A determination of any detrimental effect on the public health, safety and environment if the proposed rule is not implemented:

The agency does not anticipate any detrimental effect on the public health, safety or environment if the proposed rule is not implemented.

- K. The date the rule impact statement was prepared and if modified, the date modified:

Prepared date: February 19, 2016

Modified date: June 22, 2016

RULE TEXT

TITLE 317. OKLAHOMA HEALTH CARE AUTHORITY CHAPTER 30. MEDICAL PROVIDERS-FEE FOR SERVICE

SUBCHAPTER 5. INDIVIDUAL PROVIDERS AND SPECIALTIES

PART 45. OPTOMETRISTS

317:30-5-432.1. Corrective lenses and optical supplies

(a) When medically necessary, payment will be made for lenses, frames, low vision aids and certain tints for children. Coverage includes lenses and frames to protect children with monocular vision. Coverage includes two sets of non-high-index polycarbonate lenses and frames per year. Any ~~high-index lenses or frames~~ glasses beyond this limit must be prior authorized and determined to be medically necessary. All non-high-index lenses must be polycarbonate.

(b) Corrective lenses must be based on medical need. Medical need includes a significant change in prescription or replacement due to normal lens wear.

(c) SoonerCare provides frames when medically necessary. Frames are expected to last at least one year and must be reusable. If a lens prescription changes, the same frame must be used if possible. Payment for frames includes the dispensing fee.

(d) Providers must accept ~~SoonerCare's payment~~ SoonerCare reimbursement as payment in full for services rendered, except

when authorized by SoonerCare (e.g., copayments, other cost sharing arrangements authorized by the State).

(1) Providers must be able to dispense standard eyeglasses which SoonerCare would fully reimburse with no cost to the eligible member.

(2) If the member wishes to select eyeglasses with special features which exceed the SoonerCare allowable fee, the member may be billed the excess cost. The provider must obtain signed consent from the member acknowledging that they are selecting eyeglasses that will not be covered in full by SoonerCare and that they will be responsible to pay the excess cost. The signed consent must be included in the member's medical record.

(e) Replacement of or additional lenses and frames are allowed when medically necessary. The OHCA does not cover lenses or frames meant as a backup for the initial lenses/frames. Prior authorization is not required unless the number of glasses exceeds two per year. The provider must always document in the patient record the reason for the replacement or additional eyeglasses. The OHCA or its designated agent will conduct ongoing monitoring of replacement frequencies to ensure OHCA policy is followed. Payment adjustments will be made on claims not meeting these requirements.

(f) A fitting fee will be paid if there is documentation in the record that the provider or technician took measurements of the patient's anatomical facial characteristics, recorded lab specifications and made final adjustment of the spectacles to the visual axes and anatomical topography. A fitting fee can only be paid in conjunction with a pair of covered glasses.

~~(f)(g)~~ Bifocal lenses for the treatment of accommodative esotropia are a covered benefit. Progressive lenses, trifocals, photochromic lenses and tints for children require prior authorization and must satisfy the medical necessity standard. ~~Polycarbonate lenses are covered for children when medically necessary.~~ Payment is limited to two glasses per year. Any glasses beyond this limit must be prior authorized and determined to be medically necessary.

~~(g)(h)~~ Progressive lenses, aspheric lenses, tints, coatings and photochromic lenses for adults are not compensable and may be billed to the patient.

~~(h)(i)~~ Replacement of lenses and frames due to abuse and neglect by the member is not covered.

~~(i)(j)~~ Bandage contact lenses are a covered benefit for adults and children. Contact lenses for medically necessary treatment of conditions such as aphakia, keratoconus, following keratoplasty, aniseikonia/anisometropia or albinism are a covered benefit for adults and children. Other contact lenses

for children require prior authorization and must satisfy the medical necessity standard.

SUBCHAPTER 5. INDIVIDUAL PROVIDERS AND SPECIALTIES

PART 3. HOSPITALS

317:30-5-42.17. Non-covered services

In addition to the general program exclusions [OAC 317:30-5-2(a)(2)] the following are excluded from coverage:

- (1) Inpatient admission for diagnostic studies that could be performed on an outpatient basis.
- (2) Procedures that result in sterilization which do not meet the guidelines set forth in this Chapter of rules.
- (3) Reversal of sterilization procedures for the purposes of conception are not covered.
- (4) Medical services considered experimental or investigational.
- (5) Payment for removal of benign skin lesions for adults.
- (6) ~~Refractions and visual~~ Visual aids.
- (7) Charges incurred while the member is in a skilled nursing or swing bed.
- (8) Sleep studies for adults.