

LSA NUMBER: #10-794

TITLE: Medicaid Services—Vision Care Services

DIVISION: Office of Medicaid Policy and Planning

PREPARED BY: Program Staff: Kristina Moorhead and Joy Heim

OVERVIEW OF RULE: This rule amends 405 IAC 5-23-2 and 405 IAC 5-23-4 to revise the age of recipients subject to limitations on the initial examination from under 19 to under 21 years of age, to revise the age of recipients subject to the covered eyeglasses limitation from under 19 to under 21 years of age, and to amend the limitation from one pair every two years to one pair every five years. The change in covered eyeglasses for adults began on January 1, 2011 via an emergency rule promulgation. The change in age for eyeglasses for children is a technical change to the rule to match federal regulations that FSSA/OMPP was already following.

FISCAL IMPACT:

The estimated decrease in annual Medicaid expenditures for this rule amendment is as follows:

	SFY 2011	SFY 2012	SFY 2013
Total Medicaid	\$680,000	\$1,750,000	\$1,870,000
Federal Share	\$490,000	\$1,170,000	\$1,240,000
State Share	\$190,000	\$580,000	\$610,000

The estimated savings for vision services represents services provided to the fee-for-service population and the managed care population.

ECONOMIC IMPACT:

The proposed rule would change the eyeglasses replacement benefit for members. The FSSA OMPP is proceeding with this proposed rule due to budgetary constraints and to bring the rule language into compliance with federal law. The resulting savings of this proposed rule will help FSSA OMPP in meeting budgetary obligations. The above fiscal information is the economic impact on these providers.

FSSA OMPP believes that the proposed rule is currently one of a number of options available and being pursued for FSSA OMPP to meet its budget obligation and maintain services. This proposed rule and other proposed rules being promulgated simultaneously distribute the reduction in Medicaid expenditures across multiple provider types and benefits.

The proposed rule does not directly increase administrative or compliance costs for regulated entities. However, a reduction in reimbursement may result in a loss of profit for some providers. This loss of profit may lead some providers to change business practices or some providers may choose to no longer be Medicaid providers.

OPPONENTS:

PROPOSERS: OMPP

RECOMMENDATIONS: None.

PUBLIC HEARING COMMENTS: The public hearing will be scheduled once the agency receives authorization to proceed from the Legislative Services Agency, which is estimated to be in early April 2011.