

Summary of Public Comments Regarding the  
Department of Social Services (DSS) Access Monitoring Review Plan (AMRP)

The Missouri State DSS the MO HealthNet Division (MHD) received public comments from providers.

**Comment:** Several provider commenters expressed concern that the Medicare laboratory fee schedule will experience multiple years of decreases starting in Calendar Year (CY) 2018, with up to 10% reduction in payment per laboratory code for the first three years and that the reductions in Medicaid reimbursement and the Protecting Access to Medicare Act (PAMA) reductions will reduce reimbursement to the level of threatening patient care. Of these comments, it was described that even if MHD did not implement the rate reduction, MHD will still realize substantial savings as Centers for Medicare and Medicaid Services (CMS) has already implemented PAMA cuts to Medicare rates for 2018.

**Response:** MHD does not wish to forecast future CMS requirements. Please direct any concerns regarding CMS' requirements to CMS. The MHD implemented the outpatient laboratory changes on January 1, 2018. The MHD adjusted all outpatient laboratory codes to consistently reimburse at 80% of Medicare's current allowable rate and will be updated annually. The MHD's FFS payments comply with the access standards in Section 1902(a)(30)(A) of the Social Security Act and ensures efficiency, economy, quality of care, and access. The MHD will continue to monitor access. The MHD has an infrastructure established to monitor for access.

**Comment:** Some provider commenters discussed concern that the laboratory rate reduction is significantly below the providers' cost to provide laboratory services to Medicaid beneficiaries and that many providers will have no choice but to discontinue laboratory services for Medicaid patients. Of these comments, it was described that the reduction jeopardizes hospitals across the state with their ability to provide services to patients cost effectively, risking patient access to adequate care, and will reduce quality of care.

**Response:** The MHD is charged with the administration of the RSMO 280.159 Title XIX Medicaid program including the development of reasonable rates. The MHD has determined the reasonable reimbursement rates in accordance with the 13 CSR 70-15.160 Hospital regulation. The Medicaid program is a voluntary program and providers agree to accept the Medicaid reimbursement as payment in full for Medicaid participants. The MHD will continue to monitor access. The MHD has an infrastructure established to monitor for access.

**Comment:** A provider commenter expressed that cutting reimbursement for office lead testing will result in a significant drop in compliance rates. The commenter further explained that high lead levels cause brain damage and that the health of the children should take priority. The provider stated that it is important to have tests results promptly to allow treating timely, such as the current influenza epidemic, patients needing Tamiflu, and to not waste medications on patients testing negative. Of this comment, it was described that sending the tests to an outside laboratory will result in a turnaround

time of several days rather than 10 minutes in the office testing. The provider explained that they will be required to treat all patients with Tamiflu pending the laboratory results. The provider postulated that the savings of about \$2 per tests should be considered when this leads to over prescribing Tamiflu, which costs over \$100 per patient and that for a thousand patients the savings of \$2,000 for laboratories is not offset by the possible extra cost of \$100,000 for medication.

The provider suggested that a more logical policy would be to not lower the reimbursement of most Point service/in office-laboratories and to reduce rates of the reference and more complex tests, which also cost more on a per test basis. The provider described that the carving out of a small number of tests will greatly improve the care of the providers' patients and could lead to greater savings.

**Response:** Providers should adhere to federal and state statutes and regulations of which 13 CSR 70-3.030 specifies that providers shall maintain quality, necessary, and appropriate services. The Laboratory reduction was a reduction for all outpatient laboratory codes and was not a reduction of any one particular service. The MHD appreciates the provider's suggestions and will consider investigating other viable options. The MHD implemented the lab changes on January 1, 2018. The MHD's Medicaid FFS payments comply with the access standards in Section 1902(a)(30)(A) of the Social Security Act and ensures efficiency, economy, quality of care, and access. The MHD will continue to monitor access. The MHD has an infrastructure established to monitor for access.

**Comment:** A provider commenter expressed that they will be reevaluating their hours of operation, staffing reductions, and site closings due to the rate reduction.

**Response:** The Medicaid program is a voluntary program and providers agree to accept the Medicaid reimbursement as payment in full for Medicaid participants. Providers are not obligated to participate in the Medicaid program if they do not believe they can sustain operations financially.

**Comment:** A provider commenter discussed that they could not find the analysis or research performed to warrant such a mandate. The provider asked that the state delay the reduction until providing a basis for the action and to review and assess the impact on the Medicaid population before moving forward with the reduction in payments and ultimately services.

**Response:** The MHD implemented the laboratory changes on January 1, 2018. The MHD conducted an analysis of many other states' rates and aligned more closely with what other states pay for outpatient laboratory reimbursement of the Medicare allowable rate. The MHD updated their rates to more consistently apply the rate to all outpatient laboratory codes and will continue to update annually to reflect 80% of the current Medicare reimbursement rates. The MHD's Medicaid FFS payments comply with the access standards in Section 1902(a)(30)(A) of the Social Security Act and ensures efficiency, economy, quality of care, and access. The MHD will continue to monitor access. The MHD has an infrastructure established to monitor for access.

**Comment:** A provider commenter questioned whether a reimbursement reduction improves efficiency, economy, and quality of care for Medicaid patients or strictly accomplishes financial savings for the State.

**Response:** In considering adjustments to rate reimbursement cost savings is a factor but it is not the only factor. Under Section 1902(a)(30)(A) of the Social Security Act, the MHD is charged with finding an efficient reimbursement rate while also considering economy, quality of care and access. In this instance, the MHD conducted a review of outpatient laboratory reimbursement rates and compared them across several other states. As a result of this change, the MHD estimated a cost savings of \$13.2 M described in the public notice. The MHD will analyze the actual cost savings and consider adjusting rate reimbursements. The MHD will continue to monitor access. The MHD has an infrastructure established to monitor for access.

**Comment:** A provider commenter expressed that Medicare rates should be recognized as a minimum standard to ensure access to health care services.

**Response:** The MHD utilized Medicare's reimbursement rate as a standard and conducted an analysis of many other states' rates to align more closely with what other states pay for outpatient laboratory reimbursement of the Medicare allowable rate. The MHD updated their rates to more consistently apply the rate to all outpatient laboratory codes and will continue to update annually to reflect 80% of the current Medicare reimbursement rates. The MHD's Medicaid FFS payments comply with the access standards in Section 1902(a)(30)(A) of the Social Security Act and ensures efficiency, economy, quality of care, and access. The MHD will continue to monitor access. The MHD has an infrastructure established to monitor for access.

**Comment:** A provider commenter expressed that Medicare rates do not always reflect the services common to the Medicaid program. The provider stated most of the Medicare population is adults and that it may be more costly to provide services to children as compared to adults.

**Response:** The MHD outpatient laboratory reimbursement does not differentiate between adults and children. The outpatient laboratory reimbursement is applied to all outpatient laboratory codes and is not based on age of the participant.