

EXHIBIT I

QUESTIONNAIRE FOR FILING PROPOSED RULES AND REGULATIONS WITH THE ARKANSAS LEGISLATIVE COUNCIL AND JOINT INTERIM COMMITTEE

DEPARTMENT/AGENCY Department of Human Services

DIVISION Division of Medical Services

DIVISION DIRECTOR Andrew Allison, PhD

CONTACT PERSON Lisa Smith

ADDRESS P.O Box 1437, Slot S295, Little Rock, AR 72203

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NAME OF PRESENTER AT COMMITTEE MEETING Marilyn Strickland

PRESENTER E-MAIL marilyn.strickland@arkansas.gov

INSTRUCTIONS

- A. Please make copies of this form for future use.
- B. Please answer each question completely using layman terms. You may use additional sheets, if necessary.
- C. If you have a method of indexing your rules, please give the proposed citation after "Short Title of this Rule" below.
- D. Submit two (2) copies of this questionnaire and financial impact statement attached to the front of two (2) copies of the proposed rule and required documents. Mail or deliver to:

Donna K. Davis
Administrative Rules Review Section
Arkansas Legislative Council
Bureau of Legislative Research
Room 315, State Capitol
Little Rock, AR 72201

1. What is the short title of this rule?

Notice 001-12 - 2013 Current Procedure Terminology (CPT®) Code Conversion; Notice 002-12 - Healthcare Common Procedural Coding System Level II (HCPCS) Code Conversion and Section V 3-12

2. What is the subject of the proposed rule?

To inform providers of the 2013 Healthcare Common Procedural Coding System (HCPCS) Level II and 2013 Current Procedure Terminology (CPT®) Code Conversions

3. Is this rule required to comply with a federal statute, rule, or regulation? Yes X No ____.
If yes, please provide the federal rule, regulation, and/or statute citation.

45 CFR Subpart A Section 162.1002 and the Health Insurance Portability and Accountability Act of 1996.

4. Was this rule filed under the emergency provisions of the Administrative Procedure Act? Yes X No ____.

If yes, what is the effective date of the emergency rule?

March 15, 2013

When does the emergency rule expire?

July 12, 2013

Will this emergency rule be promulgated under the permanent provisions of the Administrative Procedure Act? Yes No .

5. Is this a new rule? Yes No If yes, please provide a brief summary explaining the regulation.

Does this repeal an existing rule? Yes No If yes, a copy of the repealed rule is to be included with your completed questionnaire. If it is being replaced with a new rule, please provide a summary of the rule giving an explanation of what the rule does.

Is this an amendment to an existing rule? Yes No If yes, please attach a mark-up showing the changes in the existing rule and a summary of the substantive changes. Note: The summary should explain what the amendment does, and the mark-up copy should be clearly labeled "mark-up."

6. Cite the state law that grants the authority for this proposed rule? If codified, please give Arkansas Code citation.

Arkansas Statute 20-76-201

7. What is the purpose of this proposed rule? Why is it necessary?

The purpose of the proposed rule is to be in compliance with federal regulation 45 CFR Part 45 Section 162.1002. These notices inform providers of the implementation of the annual Current Procedure Terminology Codes (CPT) and the annual Healthcare Common Procedure Codes (HCPCS) systems and make non payable those deleted procedure codes from the 2012 code books. This rule is necessary for consistency with utilization of procedure codes used by Medicare and other third party payers of medical claims.

8. Please provide the address where this rule is publicly accessible in electronic form via the Internet as required by Arkansas Code § 25-19-108(b).

<https://www.medicaid.state.ar.us/InternetSolution/general/comment/comment.aspx>

9. Will a public hearing be held on this proposed rule? Yes No .
If yes, please complete the following:

Date: _____

Time: _____

Place: _____

10. When does the public comment period expire for permanent promulgation? (Must provide a date.)

April 16, 2013

11. What is the proposed effective date of this proposed rule? (Must provide a date.)

July 1, 2013 (Adopted by Federal Regulation 3/15/13)

12. Do you expect this rule to be controversial? Yes No If yes, please explain.

13. Please give the names of persons; groups, or organizations that you expect to comment on these rules? Please provide their position (for or against) if known.

Medical associations, interested providers, and advocacy organizations. Their positions for or against is not known at this time.

FINANCIAL IMPACT STATEMENT

PLEASE ANSWER ALL QUESTIONS COMPLETELY

DEPARTMENT Department of Human Services

DIVISION Division of Medical Services

PERSON COMPLETING THIS STATEMENT Tom Show

TELEPHONE NO. 682-2483 FAX NO. 682-2480 EMAIL: tom.show@arkansas.gov

To comply with Act 1104 of 1995, please complete the following Financial Impact Statement and file two copies with the questionnaire and proposed rules.

SHORT TITLE OF THIS RULE – Notice 001-12 - 2013 Current Procedure Terminology (CPT®) Code Conversion; Notice 002-12 - Healthcare Common Procedural Coding System Level II (HCPCS) Code Conversion and Section V 2-13

1. Does this proposed, amended, or repealed rule have a financial impact?
Yes X No _____.
2. Does this proposed, amended, or repealed rule affect small businesses?
Yes _____ No X (Minimal impact; annual requirement for all providers.)

If yes, please attach a copy of the economic impact statement required to be filed with the Arkansas Economic Development Commission under Arkansas Code § 25-15-301 et seq.

3. If you believe that the development of a financial impact statement is so speculative as to be cost prohibited, please explain.

The Arkansas Medicaid Program's annual CPT and HCPCS code change conversion process (additions of new codes and deletions of existing codes) is necessary under HIPAA requirements. These annual coding changes require the Arkansas Medicaid Program: (1) to make decisions as to whether to cover newly created codes and (2) requires us to cease coverage of all deleted codes. These 5 digit CPT and HCPCS codes are used by providers to bill and be reimbursed by the Arkansas Medicaid Program on a fee-for-services basis. All national medical payers and providers, in addition to the Arkansas Medicaid Program, must annually make these same adjustments to comply with these new coding requirements. While there are some new services added every year, most new added codes are generally revised description replacement codes for existing or similar deleted codes. This replacement situation occurs because new codes are created to more accurately identify the services now being performed. Sometimes the new code expands the description of an existing service and sometimes the new code decreases or separates into two new distinct service descriptions of an existing service. We have reviewed the actual results of these coding change conversions for the last several years and have determined an average \$220,000 annual budget increase realized from these previous years' conversions. We are using this previous years' average \$220,000 budget impact increase to estimate the 2013 budget impact for this year's procedure code conversion process.

4. If the purpose of this rule is to implement a federal rule or regulation, please give the incremental cost for implementing the rule. Please indicate if the cost provided is the cost of the program.

Current Fiscal Year (2013)

Next Fiscal Year (2014)

General Revenue 29.83% \$19,141
 Federal Funds 70.17% \$45,025
 Cash Funds _____
 Special Revenue _____
 Other (Identify) _____
 Total _____ \$64,166

General Revenue 29.88% \$ 65,736
 Federal Funds 70.12% \$154,264
 Cash Funds _____
 Special Revenue _____
 Other (Identify) _____
 Total _____ \$220,000

5. What is the total estimated cost by fiscal year to any party subject to the proposed, amended, or repealed rule? Identify the party subject to the proposed rule and explain how they are affected.
6. What is the total estimated cost by fiscal year to the agency to implement this rule? Is this the cost of the program or grant? Please explain.

Current Fiscal Year

Next Fiscal Year

Summary for
Notice 001-12 - 2013 Current Procedure Terminology (CPT®) Code Conversion;
Notice 002-12 - Healthcare Common Procedural Coding System Level II (HCPCS) Code
Conversion and Section V 3-12

In order to be in compliance with federal regulation 45 CFR Part 45 Section 162.1002; these Notices inform providers of the implementation of the annual Current Procedure Codes (CPT) and the annual Healthcare Common Procedure Codes (HCPCS) systems. These data sets are created and published by the American Medical Association and the Centers for Medicare and Medicaid respectively on an annual basis. This rule is necessary for consistency with the utilization of procedure codes used by Medicare and other third party payers of medical claims; these data sets are standardized and are used nationally for claims processing.