

AGENDA
NYS Meeting with Office of Management and Budget
On
CMS Proposed Rule on Hospital Outpatient and Community Clinic UPL
September 23, 2008

- I. Implications for free-standing/community clinics of using Medicare payment principles to construct Medicaid UPL**
 - Medicaid and Medicare cover very different populations
 - Many Medicaid services have no equivalent under Medicare RBRVS
 - RBRVS payment levels were developed for physician offices not community clinics
 - Application of RBRVS valuation to clinics results in potential \$900 million loss (\$450 million federal funds)

- II. Implications for hospital clinics of using Medicare payment principles to construct Medicaid UPL**
 - Appears to limit services to those covered by Medicare
 - Not clear if services not reimbursable in hospital clinic would be reimbursable under different State Plan category
 - Implications for DSH and UPL payments

- III. Implications for State MMIS systems**

- IV. Implications for health care reform initiatives**
 - Derails efforts to move funding from inpatient to outpatient services and reduce expensive and unnecessary hospitalizations

- V. Not a “minor rule”**
 - Impact in New York State alone well over \$100 million

- VI. Undermines states ability to provide “optional services” authorized under federal law**
 - Many non-covered Medicare services are authorized by federal law as optional benefits under Medicaid.