

EXHIBIT H

DEPARTMENT OF HUMAN SERVICES, MEDICAL SERVICES

(3056)

SUBJECT: 2016 CPT and HCPCS Code Conversion

DESCRIPTION: The purpose of the proposed rule is to comply with federal regulations 45 CFR and Part 45 Section 162.1002. These notices of rulemaking are prepared to inform Arkansas Medicaid enrolled providers of the implementation of the annual CPT and HCPCS coding conversion and make non-payable those deleted procedure codes from the 2015 code books. This rule is necessary for consistency with the utilization of procedure codes used by Medicare and other third party payers of medical claims.

PUBLIC COMMENT: This rule change was first promulgated on an emergency basis with an effective date of August 26, 2016. No public hearing was held on the permanent rule change. The public comment period expired on September 20, 2016. No public comments were received. The following changes were made by Division of Medical Services' staff subsequent to the Department's initial rule filing:

A. 2016 Current Procedural Terminology (CPT) Code Conversion

1. The following 2016 Current Procedural Terminology (CPT) codes were made payable: CPT codes 31652, 31653, 31654 and 33477 will be made payable. 33477 will be requiring prior authorization.

2. The prior authorization requirement for CPT code 77387 was removed.

B. 2016 Healthcare Common Procedure Coding System Level II (HCPCS) Code Conversion and Code Conversion on Dental Procedures and Nomenclature (CDT) Conversion

1. The FP modifier for J2798 was removed.
2. The EP modifier for T4525 was removed.
3. New descriptions and modifier usage were given on procedure codes E0465 and EO466.
4. The age restriction for J3380 was indicated as 18y-99y.
5. J7297 is a covered procedure code.

The proposed effective date for permanent promulgation is December 1, 2016.

CONTROVERSY: This is not expected to be controversial.

FINANCIAL IMPACT: The total additional cost to implement the rule is \$186,939 for the current fiscal year (\$56,512 in general revenue and \$130,427 in federal funds) and \$224,327 for the next fiscal year (\$68,016 in general revenue and \$156,311 in federal funds).

LEGAL AUTHORIZATION: The Department of Human Services' ("Department") stated purpose for the instant proposed rulemaking is to comply with federal regulations.

particularly 45 C.F.R. § 162.1002, which adopts standard medical data code sets that are required for use in accord with 45 C.F.R. § 162.1000. Pursuant to Arkansas Code Annotated § 25-10-129, the Department and its various divisions are specifically authorized and directed to promulgate rules as necessary to conform to federal statutes, rules, and regulations affecting programs administered or funded by or through the Department, as necessary to receive any federal funds that may be available. *See* Ark. Code Ann. § 25-10-129(b). The Department is additionally charged with administering assigned forms of public assistance and welfare activities or services vested in it. *See* Ark. Code Ann. § 20-76-201(1). *See also* Ark. Code Ann. § 20-77-107(a)(1) (authorizing the appropriate division of the Department to establish and maintain an indigent medical care program). Further, it is empowered to make rules and regulations and take actions as necessary or desirable to carry out the provisions of Title 20, Subtitle 5, Chapter 76, Public Assistance Generally. *See* Ark. Code Ann. § 20-76-201(12).