



Exempt Action Final Regulation Agency Background Document

Agency name	DEPT OF MEDICAL ASSISTANCE SERVICES
Virginia Administrative Code (VAC) citation	12 VAC 30-95; 12 VAC 30-60; 12 VAC 30-70; 12 VAC 30-80; 12 VAC 30-130
Regulation title	Standards Established and Methods Used for Fee-for-Service Reimbursement
Action title	Update References to ICD-9
Final agency action date	January 24, 2014
Document preparation date	January 8, 2014

When a regulatory action is exempt from executive branch review pursuant to § 2.2-4002 or § 2.2-4006 of the Virginia Administrative Process Act (APA), the agency is encouraged to provide information to the public on the Regulatory Town Hall using this form.

Note: While posting this form on the Town Hall is optional, the agency must comply with requirements of the Virginia Register Act, Executive Orders 14 (2010) and 58 (1999), and the *Virginia Register Form, Style, and Procedure Manual*.

Summary

Please provide a brief summary of all regulatory changes, including the rationale behind such changes. Alert the reader to all substantive matters or changes. If applicable, generally describe the existing regulation.

This action updates references in DMAS' regulations from the International Classification of Diseases (ICD), 9th edition to the 10th edition in compliance with federal requirements (FR 77:172, 9/5/2012, pp 54664 et seq.).

Statement of final agency action

Please provide a statement of the final action taken by the agency including (1) the date the action was taken, (2) the name of the agency taking the action, and (3) the title of the regulation.

I hereby approve the foregoing Agency Background Summary with the attached amended regulations, Update References to ICD-9 (12 VAC 30-95-5; 12 VAC 30-60-75; 12 VAC 30-70-221; 12 VAC 30-80-20; 12 VAC 30-80-30; 12 VAC 30-130-800) and adopt the action stated therein. I certify that this final exempt regulatory action has completed all the requirements of the *Code of Virginia* § 2.2-4006(A)(4)(c), of the Administrative Process Act.

Date

Cynthia B. Jones, Director

Dept. of Medical Assistance Services

Legal basis

Please identify the state and/or federal legal authority to promulgate this proposed regulation, including (1) the most relevant citations to the Code of Virginia or General Assembly chapter number(s), if applicable, and (2) promulgating entity, i.e., agency, board, or person. Your citation should include a specific provision authorizing the promulgating entity to regulate this specific subject or program, as well as a reference to the agency/board/person's overall regulatory authority.

The *Code of Virginia* (1950) as amended, § 32.1-325, grants to the Board of Medical Assistance Services the authority to administer and amend the Plan for Medical Assistance. The *Code of Virginia* (1950) as amended, § 32.1-324, authorizes the Director of DMAS to administer and amend the Plan for Medical Assistance according to the Board's requirements. The Medicaid authority as established by § 1902 (a) of the *Social Security Act* [42 U.S.C. 1396a] provides governing authority for payments for services.

The Centers for Medicare and Medicaid Services, of the U.S. Department of Health and Human Services, published a final rule in the *Federal Register* (FR 77:172) on September 5, 2012 (pp 54664 et seq.), requiring the implementation of the tenth editions of the International Classification of Diseases, Clinical Modification, and the International Classification of Diseases, Procedure Coding System, on October 1, 2014. This action complies with that mandate. Therefore, it is exempt, under the authority of the *Code of Virginia* §2.2-4006(A)(4)(c), from the public comment requirements of the Administrative Process Act.

Substance

Please briefly identify and explain the new substantive provisions, the substantive changes to existing sections, or both where appropriate. (Provide more detail about these changes in the "Detail of changes" section.) Please be sure to define any acronyms.

The sections of the State Plan that are affected by this action are: Standards Established and Methods Used to Assure High Quality of Care (12 VAC 30-60-75 durable medical equipment services); Methods and Standards for Establishing Payment Rates-Inpatient Hospital Services (12 VAC 30-70-221); Methods and Standards for Establishing Payment Rates-Other Types of Providers (12 VAC 30-80-20 (cost based providers) and 80-30 (fee-for-service providers)); and Amount, Duration, and Scope of Selected Services (12 VAC 30-130 client medical management). The state-only regulation created by this action is: Standards Established and Methods Used for Fee-for-Service Reimbursement, General Definitions (12 VAC 30-95-5).

In five different sections in the Virginia Administrative Code, spanning four separate chapters (Chapters 60, 70, 80, and 130), DMAS references the International Classification of Diseases (ICD), edition 9, publication. It is used as a source for Medicaid individuals' diagnoses numbers. Such numbers must be recorded on computerized billing claims and various other forms of documentation that are required in order to support providers' claims for payment.

The International Classification of Diseases is written by the World Health Organization and the National Center for Healthcare Statistics (NCHS). The tenth edition replaces the currently used ninth edition which is referenced in DMAS' regulations. The ICD-10 has two parts: Clinical Modifications and Procedure Coding System. Both parts are covered by this action.

Family impact

Assess the impact of this regulatory action on the institution of the family and family stability.

These changes do not strengthen or erode the authority or rights of parents in the education, nurturing, and supervision of their children; nor encourage or discourage economic self-sufficiency, self-pride, and the assumption of responsibility for oneself, one's spouse, and one's children and/or elderly parents. It does not strengthen or erode the marital commitment, but may decrease disposable family income depending upon which provider the recipient chooses for the item or service prescribed.