

2005 DRAFTING REQUEST

Bill

Received: **09/01/2004**

Received By: **rryan**

Wanted: **As time permits**

Identical to LRB:

For: **Administration-Budget**

By/Representing: **Blaine**

This file may be shown to any legislator: **NO**

Drafter: **rryan**

May Contact:

Addl. Drafters:

Subject: **Health - medical assistance**

Extra Copies: **DAK**
~~Ellen Hadidian, DHFS~~

Submit via email: **YES**

Requester's email:

Carbon copy (CC:) to: **hadidec@dhfs.state.wi.us**

Pre Topic:

DOA:.....Blaine, Blaine -

Topic:

Eliminate 2nd opinion provision under MA for elective surgery

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?				_____			State
/1	rryan 09/09/2004	kfollett 09/14/2004	rschluet 09/15/2004	_____	sbasford 09/15/2004		

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/?	rryan	11/14/04 [Signature]	[Signature]	[Signature]			State

FE Sent For:

<END>

Repeal Requirement for Second Opinion for Medicaid Surgery

Current Language

s. 49.45 (3) (i)

Proposed Change

Repeal s.49.45 (3) (i), which requires a second opinion for certain elective surgical procedures for Medicaid (MA) reimbursement.

Effect of the Change

Currently state law specifies that the Department may not reimburse a provider for certain elective surgical procedures without a second opinion from another provider. Second opinions are required for "selected elective surgical procedures for which second opinions disagree with the original opinions at demonstrably high rates." The surgeries are listed in administrative code and include hysterectomies, hip or knee joint replacement, and varicose vein removal.

The repeal of this provision will allow surgery to be performed and Medicaid claims to be paid for the aforementioned procedures without a second opinion. This regulatory change will reduce the number of unnecessary visits to physicians' offices, prevent unnecessary barriers to recipients' medical care, and result in administrative savings for providers.

Rationale for the Change

The requirement for a second surgical opinion for these services is obsolete and is no longer justified or supported by current medical practice and evidence. Under the Department's regulations, a recipient must seek and receive a second opinion before MA will reimburse the primary surgeon for these surgeries. The second opinion must be documented in the patient's medical record and identified on the claim form. However, MA will not reimburse the physician giving the second opinion if that physician performs the actual surgery. Regardless of whether the primary and second surgeon agree or disagree, the patient has the final choice as to whether to undergo surgery. In some areas of the state MA recipients have difficulty finding a surgeon who can provide a second opinion.

The second surgical opinion requirement follows a regulatory model that has been abandoned by most HMOs and insurance carriers. Increased outpatient surgery, managed care expansion, and improved self-monitoring by physicians significantly reduced the variations in practice patterns for the surgeries covered by this program. As a result, the usefulness of mandatory second surgical opinion as a cost-saving mechanism has been substantially reduced. Eliminating this requirement will lessen administrative costs for health care providers who will no longer be required to submit unnecessary paperwork or document compliance with the requirement.

Federal law requires that any surgical procedure be subject to medical review. The Department contracts with MetaStar for the services of the External Review Organization, which continuously conducts clinical and administrative reviews of elective surgical procedures for appropriateness. The federally required external review process is effective in preventing unnecessary medical procedures and/or inappropriate payments.

Desired Effective Date:	Upon passage of Budget Bill
Agency:	DHFS
Agency Contact:	Ellen Hadidian
Phone:	266-8155



State of Wisconsin
2005 - 2006 LEGISLATURE

LRB-01242

RLR: [signature]

In 9/9/04

DOA:.....Blaine, Blaine - Eliminate 2nd opinion provision under MA for elective surgery

FOR 2005-07 BUDGET -- NOT READY FOR INTRODUCTION

RMR

Do Not Gen

1 AN ACT ...; relating to: reimbursement for elective surgical procedures under the
2 Medical Assistance Program,

Analysis by the Legislative Reference Bureau

HEALTH AND FAMILY SERVICES

MEDICAL ASSISTANCE

Current law prohibits DHFS from reimbursing a provider for certain elective surgical procedures under the Medical Assistance Program unless the patient receives a second medical opinion regarding the appropriateness of the procedure. Second opinions are required for elective surgical procedures for which there is a demonstrably high rate of difference between first and second medical opinions. This bill eliminates the requirement for second medical opinions for elective surgical procedures under the Medical Assistance Program.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

3 SECTION 1. 49.45 (3) (i) of the statutes is repealed.

4 (END)



State of Wisconsin
2005 - 2006 LEGISLATURE

LRB-0124/1

RLR:KJF:rs

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elective surgery

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