

**Rule Summary and Fiscal Analysis (Part A)****Rehabilitation Services Commission**

Agency Name

Division

**Ted Klecker**

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**3304-2-52**

Rule Number

**AMENDMENT**

TYPE of rule filing

Rule Title/Tag Line

**Least cost, use of comparable benefits, consumer contribution,  
and fees for services.****RULE SUMMARY**

1. Is the rule being filed consistent with the requirements of the RC 119.032 review? **No**

2. Are you proposing this rule as a result of recent legislation? **Yes**

Bill Number: **HB487**General Assembly: **129**Sponsor: **Ron Amstutz (by request)**

3. Statute prescribing the procedure in accordance with the agency is required to adopt the rule: **119.03**

4. Statute(s) authorizing agency to adopt the rule: **3304.16(A), 3304.14(B)(2)**

5. Statute(s) the rule, as filed, amplifies or implements: **3304.16(K)(2), 3304.16(K)(3), 3304.14(B)(2)**

6. State the reason(s) for proposing (i.e., why are you filing,) this rule:

This rule is proposed to establish a fee schedule for vocational rehabilitation services to be provided by community rehabilitation providers desiring to do business with Ohio Rehabilitation Services Commission (RSC). Currently, the rates are established by an open market setting. RSC is currently the only agency of its kind in the United States that does not have a standard fee schedule. The reasons

for establishing a standard fee schedule are:

1.To establish consistency for the payment of services. Currently, providers establish their own formula for fee and, in many cases, no two are alike. A wide discrepancy in fees charged for the same service by two different providers occurs sometimes in the same county.

2.To ensure a sound and acceptable business model for managing state and federal dollars.

3.To establish minimum standards for the experience and expertise of those individuals providing vocational rehabilitation services.

RSC recognizes that provider rates vary based on geographical location and the significance of the disability of the person being served. These factors are to be considered in establishing a fee schedule.

7. If the rule is an AMENDMENT, then summarize the changes and the content of the proposed rule; If the rule type is RESCISSION, NEW or NO CHANGE, then summarize the content of the rule:

The rule changes will establish a fee schedule designed to ensure a standardization and reasonable cost for each service.

8. If the rule incorporates a text or other material by reference and the agency claims the incorporation by reference is exempt from compliance with sections 121.71 to 121.74 of the Revised Code because the text or other material is **generally available** to persons who reasonably can be expected to be affected by the rule, provide an explanation of how the text or other material is generally available to those persons:

Not Applicable

9. If the rule incorporates a text or other material by reference, and it was **infeasible** for the agency to file the text or other material electronically, provide an explanation of why filing the text or other material electronically was infeasible:

Not Applicable

10. If the rule is being **rescinded** and incorporates a text or other material by reference, and it was **infeasible** for the agency to file the text or other material, provide an explanation of why filing the text or other material was infeasible:

*Not Applicable.*

11. If **revising** or **refiling** this rule, identify changes made from the previously filed version of this rule; if none, please state so:

No changes have been made from the previously filed rule.

12. 119.032 Rule Review Date: **7/1/2014**

(If the rule is not exempt and you answered NO to question No. 1, provide the scheduled review date. If you answered YES to No. 1, the review date for this rule is the filing date.)

NOTE: If the rule is not exempt at the time of final filing, two dates are required: the current review date plus a date not to exceed 5 years from the effective date for Amended rules or a date not to exceed 5 years from the review date for No Change rules.

### **FISCAL ANALYSIS**

13. Estimate the total amount by which *this proposed rule* would **increase / decrease** either **revenues / expenditures** for the agency during the current biennium (in dollars): Explain the net impact of the proposed changes to the budget of your agency/department.

This will have no impact on revenues or expenditures.

\$ 0

The fee schedule is not expected to increase or decrease expenditures.

14. Identify the appropriation (by line item etc.) that authorizes each expenditure necessitated by the proposed rule:

415506, Services for People with Disabilities;

415615, Federal-Supported Employment;

415616, Federal-Vocational Rehabilitation;

415618, Third Party Funding,

415619, Services for Rehabilitation

15. Provide a summary of the estimated cost of compliance with the rule to all directly affected persons. When appropriate, please include the source for your information/estimated costs, e.g. industry, CFR, internal/agency:

The proposed rule does not place any new certifications, license requirements, or accreditations on service providers that contract for vocational rehabilitation services with RSC than are currently required under the existing rule. The new rule does not call for any fines or penalties.

Currently, a number of services purchased by RSC are not standardized. Therefore, the cost for the same service from different providers from the same geographical location can vary widely. The fee schedule will standardize the costs for vocational rehabilitation service providers wishing to do business with RSC.

RSC, through a request for proposal process, contracted with Public Consulting Group (PCG), a company who has developed fee schedules for other vocational rehabilitation agencies in other states. In making its selection, RSC included stakeholders in the request for proposal process. PCG conducted a review of industry standards, comparison states based on geography, similar expenditures per consumer, best practices, and other Ohio agencies in addition to the Ohio Community Rehabilitation Provider (CRP) service market, which factored into the fee structure. The primary component was the survey results from the CRPs for each service, allowing PCG to establish the RSC market for the services reviewed. The comparison states and other State of Ohio agency information was used as a benchmark to the CRP market. Industry standards provided a larger framework.

PCG conducted a market survey distributed across the state to vocational service providers. The survey collected information on each fee offered by CRPs in a standard format to allow PCG to compare fees across providers. The survey questions were specifically designed for each service type.

PCG drafted a web-based fee survey to be distributed to the CRPs. The survey was reviewed with RSC and a small focus group of CRPs to get feedback. PCG scheduled four web-based survey training sessions held on March 8, 2012 and March 9, 2012. Three emails were sent prior to the survey being released with information for the CRPs regarding completion of the survey and ways to contact PCG if they had questions or issues with completing the survey. PCG conducted trainings on the web-based survey for over 183 attendees representing CRPs across the state. PCG released the web-based survey to 187 providers during the timeframe of March 21, 2012 through April 5, 2012. Providers were asked to respond to the survey for services offered in 2011. PCG also included an Excel based staff credential survey for providers to submit via email. PCG reminded CRPs to submit the survey response through a series of emails and phone calls. Of the 187 providers sent a survey, 138 providers completed the online survey and 102 providers completed the Excel based staff credential survey.

Survey responses were then exported by service code to Excel for further analysis by PCG.

PCG conducted 7 onsite visits to CRPs across the state of Ohio, 2 phone interviews and 1 focus group to review additional qualitative factors of vocational rehabilitation service delivery. The nine providers selected to be interviewed were based upon conversations with RSC, survey results, geographic location, provider specialty, and program size. PCG met onsite with the following: Vocational Guidance Services, Vocational Services Unlimited, Goodwill of Greater Cleveland, Capabilities, Functional Training Services, Athens County Board of DD, Tiehan Liu. PCG conducted phone interviews with Creative Rehabilitation and MJT Engineering.

PCG spoke with program directors, financial staff, and direct service staff at each site. PCG also took a tour of each program's facility during the site visit.

Once PCG completed its report, RSC published PCG's report with their recommendations for RSC's new fee schedule on its intranet on August 3, 2012. RSC sent notice to its CRPs and stakeholders that the information was now available. RSC and PCG also conducted informational sessions the week of August 6, 2012 to present PCG's recommendations to staff and providers. Questions and feedback from providers and staff were gathered as well.

Based upon this initial feedback from staff and providers, RSC decided to make the following modifications to what was proposed by PCG. These changes included: raising the performance based fee (Tier I-III) for Job Development to \$4,510.00 and changing the Job Readiness Training fee from a monthly fee to a weekly fee.

RSC distributed its final fee schedule to providers, staff and stakeholders on August 22, 2012. On October 10, 2012, RSC held a public hearing on the proposed rule changes and fee schedule. In addition, beginning in November 2012, RSC will be having monthly meetings with providers to gather feedback on what issues they are experiencing with the changes. RSC's goal is for this to be an effective, workable fee schedule that will improve the management of services provided to individuals with disabilities.

The impacted business community consists of the providers of vocational rehabilitation services to individuals with disabilities who are eligible for RSC services.

The cost of compliance includes the requirement that the vocational rehabilitation provider must now track additional information to obtain payment from RSC. These items include mileage, units of service and report writing time. Under the fee schedule, providers will be able to bill separately for mileage so they will need to track mileage in order to be paid for mileage. The provider also now will bill per unit of service that is one-tenth of an hour. In addition, the provider will need to track the amount of time spent completing reports to be able to obtain payment

from RSC for report writing.

As a result of RSC standardizing fees for services and service definitions, some providers will receive a higher payment and some will receive a lower payment. This varies amongst providers and the service being provided. A comprehensive analysis of the impact for each provider and service is included in PCG#s report, which is published on RSC#s internet at [www.rsc.ohio.gov](http://www.rsc.ohio.gov).

While some providers may receive a lower payment for services, this is mitigated by the fact that providers can now charge for mileage and report writing in addition to the rate of pay for the service.

A minimal number of providers have advised RSC that based upon the new fee schedule they will have to do a cost analysis of their services to determine if they can continue to provide services to individuals with disabilities that RSC serves. Since the implementation of the fee schedule, through the emergency rule that was filed on October 1, 2012, RSC has seen an increase in the number of providers who have contacted RSC seeking to partner with RSC to provide services to individuals with disabilities.

Providers must now track additional information to obtain payment from RSC. These items include mileage, units of service and report writing time. Under the fee schedule, providers will be able to bill separately for mileage so they will need to track mileage in order to be paid for mileage. The provider also now will bill per unit of service that is one-tenth of an hour. In addition, the provider will need to track the amount of time spent completing reports to be able to obtain payment from RSC for report writing. The adverse impact of completing this paperwork is offset by the fact that the vocational rehabilitation provider will receive payment from RSC for the services.

16. Does this rule have a fiscal effect on school districts, counties, townships, or municipal corporations? **No**

17. Does this rule deal with environmental protection or contain a component dealing with environmental protection as defined in R. C. 121.39? **No**