

Rule Summary and Fiscal Analysis (Part A)**Department of Job and Family Services**

Agency Name

Division of Public Assistance

Division

Mike Lynch

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5101:1-39-31

Rule Number

NEW

TYPE of rule filing

Rule Title/Tag Line

Medicaid: treatment of the home.**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: **HB66**General Assembly: **126**Sponsor: **Representative
Charles Calvert**

3. Statute prescribing the procedure in accordance with the agency is required to adopt the rule: **111.15**

4. Statute(s) authorizing agency to adopt the rule: **5111.01, 5111.011**

5. Statute(s) the rule, as filed, amplifies or implements: **5111.01, 5111.011**

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

To incorporate federal regulatory changes under the Deficit Reduction Act of 2005, H.B.66, and satisfy five year rule review requirements.

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:

This rule discusses what qualifies a home as the principal place of residence; changes include disqualification as a result of home equity in excess of \$500,000; thirteen months exemption change from six months; and the hardship extension process.

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:

This rule incorporates text by reference to rules in the Ohio Administrative Code and Federal statutes. All references in the rule are in compliance with sections 121.71 to 121.74 of the Ohio Revised Code.

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 If the rule is being **rescinded** and incorporates a text or other material by reference, and it was **infeasible** for the agency to file the text or other material, provide an explanation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

Changes were made in paragraph (C)(6) of this rule to clarify the treatment of the home equity restriction if an individual experiences a break in long-term care coverage. The intent of this new paragraph is still the same as the previous rule version; however, clarification was needed to the rule to eliminate confusion.

Additionally, paragraph (B)(2) definition of "home" was revised by adding language "for the purpose of this rule" for clarification purposes.

12. 119.032 Rule Review Date:

(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 decrease expenditures.

\$879,079.19

Estimated cost is based on projections provided by the National Conference of State Legislatures (NCSL): Deficit Reduction Act of 2005 Summary of Medicaid, Medicare, Health Provisions (updated February 3, 2006), and information obtained from the Decision Support System (DSS) (July 1, 2004 through June 30, 2006). Ohio's long-term care population (132,967) is the number of consumers receiving long-term care services from nursing facilities, a Home and Community Based Services (HCBS) waiver, or the Program for All-Inclusive Care for the Elderly (PACE). The federal long-term care Medicaid population (2,712,591) was divided by Ohio's long-term care Medicaid population in order to determine the portion of the estimated federal fiscal impact that is specific to Ohio. This portion of federal dollars was then reduced to reflect Ohio's share of Medicaid long-term care costs (40.12 %).

This rule also contains language from H.B.66 which extends the home exemption period from six months to thirteen months for individuals residing in a nursing facility. The cost associated with H.B.66 was estimated by multiplying the current average monthly nursing home private pay rate of \$4,806.00 by seven additional months of home exemption for individuals residing in a nursing facility. The result is \$33,642.00 in additional increase of expenditures for each individual for the additional seven months. Data could not be collected as to how many individuals the extension of the home exemption period effects. Therefore, the estimated decrease in expenditures of \$879,079.19 does not reflect any increase in expenditures as a result of H.B.66.

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

Not applicable.

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:

Individuals applying for Medicaid may not be eligible if equity in the home exceeds five-hundred thousand dollars and the individual does not meet the home equity restriction exemptions listed in OAC 5101:1-39-31 Medicaid: treatment of the home.

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**