

Rule Summary and Fiscal Analysis

Part A - General Questions

Rule Number: 5101:2-47-26.2

Rule Type: Amendment

Rule Title/Tagline: Cost report "Agreed Upon Procedures" engagement.

Agency Name: Department of Job and Family Services

Division: Division of Social Services

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I. Rule Summary

1. **Is this a five year rule review?** Yes
 - A. **What is the rule's five year review date?** 8/13/2020
2. **Is this rule the result of recent legislation?** No
3. **What statute is this rule being promulgated under?** 119.03
4. **What statute(s) grant rule writing authority?** 5103.03, 5101.141, 5101.145
5. **What statute(s) does the rule implement or amplify?** 5103.03, 5101.141, 5101.145
6. **What are the reasons for proposing the rule?**

As part of the Family First Prevention Services Act of 2018 (H.R. 1892), a residential treatment facilities certified after October 1, 2020 must meet be certified as a Qualified Residential Treatment Program (Q RTP). Agencies certified to operate a residential facility prior to October 1, 2020 have until 2024 to meet the Q RTP requirements. The proposed rule added the requirements for a Q RTP certified after October 1, 2020.

7. **Summarize the rule's content, and if this is an amended rule, also summarize the rule's changes.**

The rule outlines the cost report "Agreed Upon Procedures" engagement for each agency that files a cost report. The Agreed Upon Procedure engagement must be done annually by a certified public accountant. This rule has been amended to include a QRTP.

8. **Does the rule incorporate material by reference? Yes**
9. **If the rule incorporates material by reference and the agency claims the material is exempt pursuant to R.C. 121.75, please explain the basis for the exemption and how an individual can find the referenced material.**

This rule incorporates one or more references to another rule or rules of the Ohio Administrative Code. This question is not applicable to any incorporation by reference to another OAC rule because such reference is exempt from compliance with RC 121.71 to 121.74 pursuant to RC 121.75(A)(1)(d).

This rule incorporates one or more dated references to an ODJFS form or forms. Each cited ODJFS form is dated and is generally available to persons affected by this rule via the inner-web at <http://innerapp.odjfs.state.oh.us/forms/inner.asp> or on the inter-net at <http://www.odjfs.state.oh.us/forms/inter.asp> in accordance with RC 121.75(B)(4).

10. **If revising or re-filing the rule, please indicate the changes made in the revised or re-filed version of the rule.**

Not Applicable

II. Fiscal Analysis

11. **Please estimate the increase / decrease in the agency's revenues or expenditures in the current biennium due to this rule.**

This will have no impact on revenues or expenditures.

0.00

Not Applicable.

12. **What are the estimated costs of compliance for all persons and/or organizations directly affected by the rule?**

An agency is able to determine who will complete their cost report. The agreed-upon procedures must be completed by an independent CPA, though this is not required for Interim period cost reports which could impact costs. All costs associated with filing a

cost report for a IV-E rate ceiling is added into the cost report as an administrative cost. This cost is often included in the placement administrative rate the placing agency pays.

13. Does the rule increase local government costs? (If yes, you must complete an RSFA Part B). No
14. Does the rule regulate environmental protection? (If yes, you must complete an RSFA Part C). No
15. If the rule imposes a regulation fee, explain how the fee directly relates to your agency's cost in regulating the individual or business.

Not Applicable.

III. Common Sense Initiative (CSI) Questions

16. Was this rule filed with the Common Sense Initiative Office? Yes
17. Does this rule have an adverse impact on business? Yes
 - A. Does this rule require a license, permit, or any other prior authorization to engage in or operate a line of business? No
 - B. Does this rule impose a criminal penalty, a civil penalty, or another sanction, or create a cause of action, for failure to comply with its terms? No
 - C. Does this rule require specific expenditures or the report of information as a condition of compliance? Yes

An agency can choose whether to submit a cost report for a IV-E reimbursement rate ceiling to be established. Without a IV-E reimbursement rate ceiling a child placed into the facility would not be eligible federal reimbursement for the child's cost of care.
 - D. Is it likely that the rule will directly reduce the revenue or increase the expenses of the lines of business of which it will apply or applies? No

IV. Regulatory Restrictions (This section only applies to agencies indicated in R.C. 121.95 (A))

18. Are you adding a new or removing an existing regulatory restriction as defined in R.C. 121.95? No

A. How many new regulatory restrictions do you propose adding?

Not Applicable

B. How many existing regulatory restrictions do you propose removing?

Not Applicable