

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

Agency Name

**Division of Medical Assistance**

Division

**Nancy Van Kirk**

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**5101:3-12-02**

Rule Number

**AMENDMENT**

TYPE of rule filing

Rule Title/Tag Line

**Private duty nursing: services, provision requirements,  
coverage and service specification.****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? **No**

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: **5111.02**

5. Statute(s) the rule, as filed, amplifies or implements: **5111.01, 5111.02, 5111.021, 5111.85**

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

This rule is being proposed for the following reasons: 1) to implement the same standard of practice for providers of private duty nursing services that is required for providers of home health nursing services by Section 6407(d) of the federal Patient Protection and Affordable Care Act (PPACA) of 2010, 2) to change from the Ohio Department of Mental Retardation and Developmental Disabilities to the Ohio Department of Developmental Disabilities, 3) to revise JFS 02374 "Private Duty Nursing (PDN) Services Request" in order to provide consistency of requirements for both home health nursing services and private duty nursing

services, 4) to correct an existing omission, 5) to eliminate the billing requirement for using two modifiers (U5 and U6) that indicate increased PDN services for children and adults, respectively, to comply with the forthcoming Medicaid Information Technology System (MITS) and 6) to correct citations.

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 explains the services available through the private duty nursing benefit for Medicaid consumers and providers. The proposed amendments to this rule set forth the following: 1) a requirement for face-to-face encounter (between the consumer and the consumer's physician, advanced practice nurse or physician assistant under the supervision of the qualifying treating physician) during the six months prior to the supervising physician certifying medical necessity of private duty nursing (PDN) services, 2) a change from the Ohio Department of Mental Retardation and Developmental Disabilities to the Ohio Department of Developmental Disabilities, 3) a revision of JFS 02374 "Private Duty Nursing (PDN) Services Request" in order to provide consistency of requirements for both home health nursing services and private duty nursing services, 4) a correction of an existing omission to specify that providers of PDN services must comply with all requirements for Medicaid providers and 5) an elimination of the billing requirement for using two modifiers (U5 and U6) that indicate increased PDN services for children and adults, respectively, because prior authorization is already required and will be used by the forthcoming Medicaid Information Technology System (MITS) to adjudicate PDN claims.

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 one or more references to the Ohio Revised Code. This question is not applicable to any incorporation by reference to the ORC because such reference is exempt from compliance with ORC 121.71 to 121.74 pursuant to ORC 121.76(A)(1).

This rule incorporates one or more references to 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 ORC 121.71 to 121.74 pursuant to ORC 121.76(A)(3).

This rule incorporates one or more dated references to the U.S. Code. This question is not applicable to any dated incorporation by reference to the U.S. Code because such reference is exempt from compliance with ORC 121.71 to 121.74 in accordance with ORC 121.75(A).

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 "Info Center" link on the ODJFS web site (<http://jfs.ohio.gov/>) in accordance with ORC 121.75(E).

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:

*Not Applicable.*

12. 119.032 Rule Review Date: **9/1/2011**

(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 increase expenditures.

\$36,396

This rule is being proposed to implement a consistency requirement that provides that for a face-to-face encounter (between the consumer and the consumer's physician, advance practice nurse or physician assistant under the supervision of the qualifying treating physician) prior to the supervising physician certifying medical necessity for private duty nursing (PDN) services. Implementation of this requirement to provide consistency of requirements for both private duty nursing services and home health services is expected to increase the agency's expenditures by an estimated maximum of \$36,396 during the current biennium since a consumer must have a face-to-face encounter within six months of the supervising physician certifying medical necessity for PDN services. This increase has been reported in the rule summary and fiscal analysis submitted with the amendment to OAC 5101:3-12-06.

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

ALI 600525 Health Care/Medicaid

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 cost of compliance for the face-to-face encounter, described in the answer to question 13, conducted by the health care professional cannot be estimated because it will likely be included with the patient assessment which may be part of an evaluation and management visit which is a billable event. The cost of compliance for the face-to-face encounter, described in the answer to question 13, for the private duty nursing agency's administrative costs because business models and administrative efficiencies vary from private duty nursing provider to private duty nursing provider.

16. Does this rule have a fiscal effect on school districts, counties, townships, or municipal corporations? **Yes**

You must complete Part B of the Rule Summary and Fiscal Analysis in order to comply with Am. Sub. S.B. 33 of the 120th General Assembly.

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

**Rule Summary and Fiscal Analysis (Part B)**

1. Does the Proposed rule have a fiscal effect on any of the following?

(a) School Districts	(b) Counties	(c) Townships	(d) Municipal Corporations
No	Yes	No	No

2. Please provide an estimate in dollars of the cost of compliance with the proposed rule for school districts, counties, townships, or municipal corporations. If you are unable to provide an estimate in dollars, please provide a written explanation of why it is not possible to provide such an estimate.

The proposed amendments to this rule may increase the costs for facilitation of private duty nursing (PDN) services to ensure that a face-to-face encounter (between the consumer and the consumer's physician, advance practice nurse or physician assistant under the supervision of the qualifying treating physician) occurred prior to the supervising physician certifying medical necessity for PDN services and before PDN services are delivered by county PDN providers.

3. If the proposed rule is the result of a federal requirement, does the proposed rule exceed the scope and intent of the federal requirement? **No**

4. If the proposed rule exceeds the minimum necessary federal requirement, please provide an estimate of, and justification for, the excess costs that exceed the cost of the federal requirement. In particular, please provide an estimate of the excess costs that exceed the cost of the federal requirement for (a) school districts, (b) counties, (c) townships, and (d) municipal corporations.

*Not Applicable.*

5. Please provide a comprehensive cost estimate for the proposed rule that includes the procedure and method used for calculating the cost of compliance. This comprehensive cost estimate should identify all of the major cost categories including, but not limited to, (a) personnel costs, (b) new equipment or other capital costs, (c) operating costs, and (d) any indirect central service costs.

There may be costs of compliance as a result of requirements to facilitate private duty nursing (PDN) services to ensure that a face-to-face encounter (between the consumer and the consumer's physician, advance practice nurse or physician

assistant under the supervision of the qualifying treating physician) occurred prior to the supervising physician certifying medical necessity for PDN services and before PDN services are delivered by county PDN providers.

(a) Personnel Costs

Personnel costs for county providers of private duty nursing (PDN) services may increase because requirements to facilitate PDN services to ensure that a face-to-face encounter (between the consumer and the consumer's physician, advance practice nurse or physician assistant under the supervision of the qualifying treating physician) occurred prior to the supervising physician certifying medical necessity for PDN services and before PDN services are delivered by county providers of PDN services. The Department cannot provide an estimate of the impact on personnel costs because it is unknown how many physicians perform evaluation and management less than every six months with consumers for whom PDN services are certified to be medically necessary.

(b) New Equipment or Other Capital Costs

Equipment/capital costs for county providers of private duty nursing (PDN) services may increase because requirements to facilitate PDN services to ensure that a face-to-face encounter (between the consumer and the consumer's physician, advance practice nurse or physician assistant under the supervision of the qualifying treating physician) occurred prior to the supervising physician certifying medical necessity for PDN services and before PDN services are delivered by county providers of PDN services. The Department cannot provide an estimate of the impact on equipment/capital costs because it is unknown how many physicians perform evaluation and management less than every six months with consumers for whom PDN services are certified to be medically necessary.

(c) Operating Costs

Operating costs for county providers of private duty nursing (PDN) services may increase because requirements to facilitate PDN services to ensure that a face-to-face encounter (between the consumer and the consumer's physician, advance practice nurse or physician assistant under the supervision of the qualifying treating physician) occurred prior to the supervising physician certifying medical necessity for PDN services and before PDN services are delivered by county providers of PDN services. The Department cannot provide an estimate of the impact on operating costs because it is unknown

how many physicians perform evaluation and management less than every six months with consumers for whom PDN services are certified to be medically necessary.

(d) Any Indirect Central Service Costs

Indirect costs for county providers of private duty nursing (PDN) services may increase because requirements to facilitate PDN services to ensure that a face-to-face encounter (between the consumer and the consumer's physician, advance practice nurse or physician assistant under the supervision of the qualifying treating physician) occurred prior to the supervising physician certifying medical necessity for PDN services and before PDN services are delivered by county providers of PDN services. The Department cannot provide an estimate of the impact on indirect costs because it is unknown how many physicians perform evaluation and management less than every six months with consumers for whom PDM services are certified to be medically necessary.

(e) Other Costs

Other costs for county providers of private duty nursing (PDN) services may increase because requirements to facilitate PDN services to ensure that a face-to-face encounter (between the consumer and the consumer's physician, advance practice nurse or physician assistant under the supervision of the qualifying treating physician) occurred prior to the supervising physician certifying medical necessity for PDN services and before PDN services are delivered by county providers of PDN services. The Department cannot provide an estimate of the impact on other costs because it is unknown how many physicians perform evaluation and management less than every six months with consumers for whom home PDN services are certified to be medically necessary.

6. Please provide a written explanation of the agency's and the local government's ability to pay for the new requirements imposed by the proposed rule.

The Ohio Department of Job and Family Services estimates that the amendments to rules 5101:3-12-02, 5101:3-12-02.3 and 5101:3-12-06 may increase expenditures up to the amount of \$62,393 because additional physician evaluation and management visits may be conducted in order to comply with the requirement that a face-to-face encounter (between the consumer and the consumer's physician,



advance practice nurse or physician assistant under the supervision of the qualifying treating physician) occurred in the six months prior to the supervising physician certifying that private duty nursing (PDN) services are medically necessary. This increase in expenditures is reflected in the answer to the Rule Summary and Fiscal Analysis, Part A, Question 13, for rule 5101:3-12-06.

The proposed amendments to this rule may increase the administrative costs for care coordination delivered by providers of PDN services because they will be required to ensure that a face-to-face encounter (between the consumer and the consumer's physician, advance practice nurse or physician assistant under the supervision of the qualifying treating physician) occurred prior to the supervising physician certifying medical necessity for PDN services and before PDN services are delivered by county providers of PDN services. The county's ability to pay for the costs of this additional aspect of care coordination for ensuring that only medically necessary PDN services are delivered cannot be estimated because these costs will vary from provider of PDN services to provider of PDN services.

7. Please provide a statement on the proposed rule's impact on economic development.

ODJFS estimates that the amendments to this rule will not have a significant impact on economic development. To the extent that some physicians and/or private duty nursing (PDN) providers deliver more services related to PDN care, there could be a slight increase in economic activity.