

Rule Summary and Fiscal Analysis (Part A)**Ohio Department of Medicaid**

Agency Name

Tommi Potter

Contact

Division

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5160-1-17.4

Rule Number

RESCISSION

TYPE of rule filing

Rule Title/Tag Line

Conversion to time-limited provider agreements and re-enrollment.**RULE SUMMARY**

1. Is the rule being filed for five year review (FYR)? **Yes**
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: **5164.02, 5164.32**
5. Statute(s) the rule, as filed, amplifies or implements: **5162.03, 5164.02, 5164.32**
6. State the reason(s) for proposing (i.e., why are you filing,) this rule:

As a result of the five year rule review, this rule is being rescinded as more than fifty percent of the rule requires amending. The current 5160-1-17.4 will be replaced with a new rule, 5160-1-17.4, "Revalidation of Provider Agreements."

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 defines time-limited and open-ended provider agreements and lists entities excluded from requirements of time-limited provider agreements under this rule. This rule identifies agreements that are time-limited or will be converted to time-limited agreements. It sets forth the responsibilities of the Ohio Department of Job and Family Services (ODJFS) in selecting provider agreements to be converted and the methods in which the provider will be notified. This rule describes the discretion in which ODJFS

has to convert provider agreements and change the length of time-limited agreements for all providers within like provider types. If a provider files an application for re-enrollment in the time and manner required but the provider agreement expires before the Department acts on the re-enrollment application, this rule states the provider may continue operating under the terms of the expired agreement until the effective date of the Department's decision.

This rule defines re-enrollment and describes the actions ODJFS will take in notifying providers when the time-limited agreement is close to expiration, when re-enrollment is required, and what actions are needed. It describes the re-enrollment process, requires providers to meet all conditions of participation as an eligible provider and to submit all required information before the re-enrollment date specified. This rule prohibits providers from initiating re-enrollment prior to the receipt of a re-enrollment notification. For providers who fail to re-enroll, this rule indicates what actions ODJFS may take including denying the re-enrollment application, terminating the provider agreement, or denying claims for payment. This rule requires providers to notify ODJFS within thirty days of approval or rejection of an application for renewal of licensure, certification, accreditation, or registration when that decision was delayed by a government entity.

This rule indicates when the new provider agreement will take effect, when a provider agreement may be made retroactive, and the exceptions to approving a twelve month retroactive period. This rule provides information about provider hearing rights in accordance with Chapter 119. of the Revised Code. Additionally, this rule states that ODJFS may conduct on-site review of provider facilities and place of business as deemed necessary to ensure program integrity.

This rule has been reviewed as part of the five year rule review process and is being proposed for rescission as more than fifty percent of the rule requires amending. This rule contains outdated information and terminology, update outdated references to the Ohio Revised Code (ORC), Ohio Administrative Code (OAC) rules, and to the Department. This rule will be replaced with new proposed rule 5160-1-17.4 which is included in this rule filing.

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 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 121.76(A)(3).

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

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. If applicable, indicate each specific paragraph of the rule that has been modified:

Not Applicable.

12. Five Year Review (FYR) Date: **7/23/2019**

(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.

0.00

No impact on current budget.

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:

This rule requires providers with time-limited agreements to renew their provider agreements. This rule requires the provider to meet all conditions of participation as an eligible provider and to submit all required information before the re-enrollment date specified by ODJFS.

According to the Bureau of Labor Statistics, the average yearly salary (with fringe benefits) for a healthcare administration position is \$42,770. Based on this figure, the estimated ten minutes it takes to complete the re-enrollment application, report information, or provide documentation would cost the provider approximately \$3.43 to renew the provider agreement. This cost would be incurred once during a period not to exceed every five years unless the provider has changes to report before the next re-enrollment period.

The information, documentation, and fees required in the re-enrollment process will vary based on provider type and whether it is for an individual provider, group practice or a facility-based provider. Individual providers are not subject to an application fee while institutional and group providers are required to pay a \$586 application fee. This fee may be waived if certain exemptions apply and the required documentation of evidence is provided. The reporting of the re-enrollment information may require the individual or staff to gather necessary documentation to be reported and submitted with the re-enrollment application.

For providers who fail to timely and properly re-enroll, this rule indicates what actions ODJFS may take including denying the re-enrollment application, terminating the provider agreement, or denying claims for payment. The cost of this sanction will vary by provider and sanction. If the sanction is denial of the re-enrollment application or termination of the provider agreement, the cost will depend on the number of Medicaid recipients being served in the facility as the facility will no longer be eligible to receive reimbursement from ODM for services provided to Medicaid recipients. If the sanction is denial of the claims for payment, the facility will lose the claims reimbursement

unless, once the re-enrollment is properly completed, the claim may still be timely resubmitted for payment.

This rule requires providers to notify ODJFS within thirty days of approval or rejection of an application for renewal of licensure, certification, accreditation, or registration when that decision was delayed by a government entity. The cost of providing this notification will vary by affected provider and will be determined by the amount of time it takes to notify ODJFS and the notifying employee's hourly rate.

This rule requires providers to disclose any changes to its existing provider agreement in accordance with Administrative Code rule 5101:3-1-17.3. The reporting of changes that occur to an existing provider agreement may result in additional administrative costs that will vary based on the provider type and required changes. The costs will be determined by the amount of time required to disclose the changes and the hourly rate of the disclosing employee.

As part of the re-enrollment process, providers may be subject to an on-site review at the provider's facility, place of business, or both, as ODJFS deems necessary to ensure program integrity. The provider may experience additional administrative costs in the process of the on-site review because staff must be available to answer the reviewer's questions and provide information needed for the review. The cost will vary by provider depending on the circumstances of the on-site review but will include the time to gather and provide the information requested, the time to complete the review and the personnel required to assist.

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**

S.B. 2 (129th General Assembly) Questions

18. Has this rule been filed with the Common Sense Initiative Office pursuant to R.C. 121.82? **Yes**

19. Specific to this rule, answer the following:

A.) Does this rule require a license, permit, or any other prior authorization to engage in or operate a line of business? **Yes**

A Medicaid provider must renew its agreement at least every 7 years to remain effective.

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? **Yes**

This rule requires providers who want to continue to participate in the Medicaid program to renew their provider agreement. Should a provider not renew in a timely manner, the department may deny the application for renewal, terminate the provider agreement 30 days after notifying the provider of such action, or deny the claims submitted until the provider completes the re-enrollment process and the re-enrollment is approved.

When the required licensure, certification, accreditation, or registration is obtained by the provider within twelve months prior to the application date, the effective date of the provider agreement may be made retroactive to the date in which the license, certification, accreditation, or registration was obtained. Claims submitted within the retroactive period will be denied for any service provided if the provider did not meet all ODJFS program requirements for participation on the date the service was provided. Additionally, ODJFS may deny retroactive eligibility of a provider agreement for failure to meet re-enrollment requirements specified in the rule.

C.) Does this rule require specific expenditures or the report of information as a condition of compliance? **Yes**

This rule requires providers to submit information to the department in order to renew a Medicaid provider agreement. This rule requires providers to disclose any changes to its existing provider agreement in accordance with Administrative Code rule 5101:3-1-17.3. In addition, if the provider's license or certification renewal has been delayed by an official board or commission, the provider must provide documentation to the department of the delay. Once the license or certificate renewal is approved or rejected, the provider has 30 days to notify the department to complete the re-enrollment process.

Individual providers are not subject to an application fee while institutional and group providers are required to pay a \$586 application fee. This fee may be waived if certain exemptions apply and the required documentation of evidence is provided.

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 |
| Yes | Yes | Yes | Yes |

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.

This rule requires providers with time-limited agreements to renew their provider agreements. This rule requires the provider to meet all conditions of participation as an eligible provider and to submit all required information before the re-enrollment date specified by ODJFS.

According to the Bureau of Labor Statistics, the average yearly salary (with fringe benefits) for a healthcare administration position is \$42,770. Based on this figure, the estimated ten minutes it takes to complete the re-enrollment application, report information, or provide documentation would cost the provider approximately \$3.43 to renew the provider agreement. This cost would be incurred once during a period not to exceed every five years unless the provider has changes to report before the next re-enrollment period.

The information, documentation, and fees required in the re-enrollment process will vary based on provider type and whether it is for an individual provider, group practice or a facility-based provider. Individual providers are not subject to an application fee while institutional and group providers are required to pay a \$586 application fee. This fee may be waived if certain exemptions apply and the required documentation of evidence is provided. The reporting of the re-enrollment information may require the individual or staff to gather necessary documentation to be reported and submitted with the re-enrollment application.

For providers who fail to timely and properly re-enroll, this rule indicates what actions ODJFS may take including denying the re-enrollment application, terminating the provider agreement, or denying claims for payment. The cost of this sanction will vary by provider and sanction. If the sanction is denial of the re-enrollment application or termination of the provider agreement, the cost will depend on the number of Medicaid recipients being served in the facility as the facility will no longer be eligible to receive reimbursement from ODM for services provided to Medicaid recipients. If the sanction is denial of the claims for payment, the facility will lose the claims reimbursement unless, once the re-enrollment is properly completed, the claim may still be timely resubmitted for payment.

This rule requires providers to notify ODJFS within thirty days of approval or rejection of an application for renewal of licensure, certification, accreditation, or registration

when that decision was delayed by a government entity. The cost of providing this notification will vary by affected provider and will be determined by the amount of time it takes to notify ODJFS and the notifying employee's hourly rate.

This rule requires providers to disclose any changes to its existing provider agreement in accordance with Administrative Code rule 5101:3-1-17.3. The reporting of changes that occur to an existing provider agreement may result in additional administrative costs that will vary based on the provider type and required changes. The costs will be determined by the amount of time required to disclose the changes and the hourly rate of the disclosing employee.

As part of the re-enrollment process, providers may be subject to an on-site review at the provider's facility, place of business, or both, as ODJFS deems necessary to ensure program integrity. The provider may experience additional administrative costs in the process of the on-site review because staff must be available to answer the reviewer's questions and provide information needed for the review. The cost will vary by provider depending on the circumstances of the on-site review but will include the time to gather and provide the information requested, the time to complete the review and the personnel required to assist.

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. This rule requires providers with time-limited agreements to renew their provider agreements. This rule requires the provider to meet all conditions of participation as an eligible provider and to submit all required information before the re-enrollment date specified by ODJFS.

According to the Bureau of Labor Statistics, the average yearly salary (with fringe benefits) for a healthcare administration position is \$42,770. Based on this figure, the estimated ten minutes it takes to complete the re-enrollment application, report information, or provide documentation would cost the provider approximately \$3.43 to renew the provider agreement. This cost would be incurred once during a period not

to exceed every five years unless the provider has changes to report before the next re-enrollment period.

The information, documentation, and fees required in the re-enrollment process will vary based on provider type and whether it is for an individual provider, group practice or a facility-based provider. Individual providers are not subject to an application fee while institutional and group providers are required to pay a \$586 application fee. The reporting of the re-enrollment information may require the individual or staff to gather necessary documentation to be reported and submitted with the re-enrollment application.

For providers who fail to timely and properly re-enroll, this rule indicates what actions ODJFS may take including denying the re-enrollment application, terminating the provider agreement, or denying claims for payment. The cost of this sanction will vary by provider and sanction. If the sanction is denial of the re-enrollment application or termination of the provider agreement, the cost will depend on the number of Medicaid recipients being served in the facility as the facility will no longer be eligible to receive reimbursement from ODM for services provided to Medicaid recipients. If the sanction is denial of the claims for payment, the facility will lose the claims reimbursement unless, once the re-enrollment is properly completed, the claim may still be timely resubmitted for payment.

This rule requires providers to notify ODJFS within thirty days of approval or rejection of an application for renewal of licensure, certification, accreditation, or registration when that decision was delayed by a government entity. The cost of providing this notification will vary by affected provider and will be determined by the amount of time it takes to notify ODJFS and the notifying employee's hourly rate.

This rule requires providers to disclose any changes to its existing provider agreement in accordance with Administrative Code rule 5101:3-1-17.3. The reporting of changes that occur to an existing provider agreement may result in additional administrative costs that will vary based on the provider type and required changes. The costs will be determined by the amount of time required to disclose the changes and the hourly rate of the disclosing employee.

As part of the re-enrollment process, providers may be subject to an on-site review at the provider's facility, place of business, or both, as ODJFS deems necessary to ensure program integrity. The provider may experience additional administrative costs in the process of the on-site review because staff must be available to answer the reviewer's questions and provide information needed for the review. The cost will vary by provider depending on the circumstances of the on-site review but will include the

time to gather and provide the information requested, the time to complete the review and the personnel required to assist.

(a) Personnel Costs

This rule requires the provider to meet all conditions of participation as an eligible provider and to submit all required information before the re-enrollment date specified by ODJFS.

According to the Bureau of Labor Statistics, the average yearly salary (with fringe benefits) for a healthcare administration position is \$42,770. Based on this figure, the estimated ten minutes it takes to complete the re-enrollment application, report information, or provide documentation would cost the provider approximately \$3.43 to renew the provider agreement. This cost would be incurred once during a period not to exceed every five years unless the provider has changes to report before the next re-enrollment period.

The information and documentation required in the re-enrollment process will vary based on provider type and whether it is for an individual provider, group practice or a facility-based provider. Individual providers are not subject to an application fee while institutional and group providers are required to pay a \$586 application fee. This fee may be waived if certain exemptions apply and the required documentation of evidence is provided. In this case, administrative time will be required to gather necessary documentation, resulting in additional personnel costs. The reporting of the re-enrollment information may require the individual or staff to gather necessary documentation to be reported and submitted with the re-enrollment application.

This rule requires providers to notify ODJFS within thirty days of approval or rejection of an application for renewal of licensure, certification, accreditation, or registration when that decision was delayed by a government entity. The cost of providing this notification will vary by affected provider and will be determined by the amount of time it takes to notify ODJFS and the notifying employee's hourly rate.

This rule requires providers to disclose any changes to its existing provider agreement in accordance with Administrative Code rule 5101:3-1-17.3. The reporting of changes that occur to an existing provider agreement may result in additional administrative costs that will vary based on the provider type and required changes. The costs will be determined by the amount of time required to disclose the changes and the hourly rate of the disclosing employee.

(b) New Equipment or Other Capital Costs

There are no new equipment or capital costs associated with this rule.

(c) Operating Costs

For providers who are subject to an application fee, the cost will also be monetary in nature. For calendar year 2019, the provider application fee for an organizational provider is \$586. Unless an exemption exists, this fee must be paid in order for the provider to operate and bill Ohio Medicaid.

As part of the re-enrollment process, providers may be subject to an on-site review at the provider's facility, place of business, or both, as ODJFS deems necessary to ensure program integrity. The provider may experience additional administrative costs in the process of the on-site review because staff must be available to answer the reviewer's questions and provide information needed for the review. The cost will vary by provider depending on the circumstances of the on-site review but will include the time to gather and provide the information requested, the time to complete the review and the personnel required to assist.

(d) Any Indirect Central Service Costs

No indirect central service costs are required as a result of this rule.

(e) Other Costs

For providers who fail to timely and properly re-enroll, this rule indicates what actions ODJFS may take including denying the re-enrollment application, terminating the provider agreement, or denying claims for payment. The cost of this sanction will vary by provider and sanction. If the sanction is denial of the re-enrollment application or termination of the provider agreement, the cost will depend on the number of Medicaid recipients being served in the facility as the facility will no longer be eligible to receive reimbursement from ODM for services provided to Medicaid recipients. If the sanction is denial of the claims for payment, the facility will lose the claims reimbursement unless, once the re-enrollment is properly completed, the claim may still be timely resubmitted for payment.

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.

There will be no new requirements imposed by this rule as it is being proposed for rescission.

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

There is no impact as the rule is being rescinded.