

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

Agency Name

Division

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**5160-1-71**

Rule Number

**NEW**

TYPE of rule filing

Rule Title/Tag Line

**Patient-centered medical homes (PCMH): Eligible providers.****RULE SUMMARY**

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

New rule 5160-1-71, "Patient centered medical homes (PCMH): Eligible providers," is being proposed to update policy relating to the administration of the Medicaid program. This new rule implements a component of the State Innovation Model (SIM) grant, the development of which is a joint collaboration between the Ohio Department of Medicaid (ODM) and the Governor's Office of Health Transformation (OHT). The Patient Centered Medical Home (PCMH) program emphasizes primary care and encourages providers to deliver medical services more efficiently and economically to achieve better health outcomes for the more than 3 million Ohioans covered by Medicaid.

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:

New rule 5160-1-71, "Patient centered medical homes (PCMH): Eligible providers," sets forth the eligibility requirements primary care practices must meet in order to enroll as a PCMH. PCMH is a team-based care delivery model led by a primary care practitioner who comprehensively manages a patient's health needs with an emphasis on health care value and quality.

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).

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:

The answer to RSFA Part A, question 15, has been amended to correct a clerical error and properly reflect the cost of compliance.

## 12. Five Year Review (FYR) 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 have no impact on revenues or expenditures.

0.00

The adoption of this proposed rule will not have a fiscal impact for ODM. The fiscal impact of PCMH is described in the PCMH payment rule, 5160-1-72.

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:

For any eligible primary care practice that voluntarily chooses to enroll in the PCMH program, the estimated cost of compliance for entities to receive and maintain their national accreditation is \$3,000. This national accreditation is only a requirement for those practices that are eligible and choose to participate in the first year of the PCMH program. Practices enrolled as a PCMH must also meet a standard set of processes, activities, clinical quality, and efficiency requirements defined in this rule. The estimated cost of compliance for a PCMH practice to meet these standards is \$180,000.00. This figure was estimated by considering care coordinator costs, average primary care practitioner salary, and administrative costs for the average practice projected to participate in the PCMH program. This estimate also takes into consideration the resources needed to effectively comply

with the activity, clinical quality, and efficiency metrics. Following the first performance period, a PCMH who meets additional criteria and is a high performer may be eligible for an additional payment based on total cost of care savings.

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**

For any eligible primary care practice that voluntarily chooses to enroll in the PCMH program, this rule requires that upon enrollment entities are nationally accredited, and that they maintain accreditation through a nationally recognized certifying organization. This requirement is only applicable to practices that enroll in the initial year of the voluntary program. The primary care provider must be licensed to practice as either a primary care physician, advanced practice nurse, or physician assistant that has a specialty in primary care.

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**

A practice that participates in the PCMH program will be required to attest that specified requirements are met.

**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	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.

For any eligible primary care practice that voluntarily chooses to enroll in the PCMH program, the estimated cost of compliance for entities to receive and maintain their national accreditation is \$3,000. This national accreditation is only a requirement for those practices that are eligible and choose to participate in the first year of the PCMH program. Practices enrolled as a PCMH must also meet a standard set of processes, activities, clinical quality, and efficiency requirements defined in this rule. The estimated cost of compliance for a PCMH practice to meet these standards is \$180,000.00. This figure was estimated by considering care coordinator costs, average primary care practitioner salary, and administrative costs for the average practice projected to participate in the PCMH program. This estimate also takes into consideration the resources needed to effectively comply with the activity, clinical quality, and efficiency metrics. Following the first performance period, a PCMH who meets additional criteria and is a high performer may be eligible for an additional payment based on total cost of care savings.

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.

For any eligible primary care practice that voluntarily chooses to enroll in the PCMH program, the estimated comprehensive costs to comply with this rule and meet the eligibility criteria to be enrolled as a PCMH includes operating costs and personnel costs. For the first year of the program, entities must be accredited by a nationally recognized organization. The estimated cost to become nationally accredited is \$3,000. Many entities have already received national accreditation and have incurred this cost therefore no additional cost would be incurred. Additionally, the entity must meet all activity, efficiency, and quality requirements stated in the rule which may require additional costs to the participating entity.

**(a) Personnel Costs**

An entity who enrolls as a PCMH may incur personnel costs through complying with the activity, quality, and efficiency requirements. This will vary based on the entity size, capacity, and current staffing.

**(b) New Equipment or Other Capital Costs**

No new costs.

**(c) Operating Costs**

For any eligible primary care practice that voluntarily chooses to enroll in the PCMH program, the estimated operating cost for entities to receive and maintain accreditation through a nationally recognized organization is \$3,000. The estimated cost for a PCMH to meet activity requirements, clinical quality, and efficiency metrics is \$180,000. This figure was estimated by considering care coordinator costs, average primary care practitioner salary, and administrative costs for the average practice projected to participate in the PCMH program. This estimate also takes into consideration the resources needed to effectively comply with the activity, clinical quality, and efficiency metrics. Following the first performance period, a PCMH who meets additional criteria and is a high performer may be eligible for an additional payment based on total cost of care savings.

**(d) Any Indirect Central Service Costs**

No new costs.

(e) Other Costs

No new costs.

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 entities interested in participating in the patient centered medical home program would not have an issue with the costs associated with meeting the accreditation requirements proposed in this rule. Many entities pursue this type of accreditation as standard business practice; therefore this proposed rule would not have any further financial impact to those entities. This requirement is only applicable for the initial enrollment so any entities that enroll in other subsequent enrollment periods there would be no cost of compliance.

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

The adoption of this rule would have a positive impact on economic development. Entities enrolled as a patient centered medical home would provide more efficient care, improve access for Medicaid enrolled individuals receiving care through a PCMH, improve overall delivery of health care services provided to Medicaid enrolled individuals. This will also support independent practices that meet the eligibility criteria to participate.