

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

Agency Name

Division

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5160-18-01

Rule Number

NEW

TYPE of rule filing

Rule Title/Tag Line

Freestanding birth center services.**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, 5164.70**
6. State the reason(s) for proposing (i.e., why are you filing,) this rule:

In the process of conducting five-year rule review, ODM found that more than fifty percent of rule 5160-18-01 needed to be amended. New rule 5160-18-01 will replace existing rules 5160-18-01 and 5160-4-36.
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 sets forth definitions, provider requirements, covered services, and

payment pertaining to freestanding birth centers (FBCs).

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 (OAC). 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 R.C. 121.71 to 121.74 pursuant to 121.76(A)(1).

This rule incorporates a dated reference to the United States Code (U.S.C.). This question is not applicable to any dated incorporation by reference to U.S.C. because such reference is exempt from compliance with Revised Code (RC) 121.71 to 121.74 in accordance with RC 121.75(A).

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:

(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 the 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:

The estimated cost of compliance with the proposed rule to all directly affected persons is not directly attributable to rule 5160-18-01. Any expense for licensure, which is an existing professional standard, would be incurred before providers enroll with Medicaid. There is no expected cost as a result of these rules on existing freestanding birth centers as they already meet this requirement prior to enrolling with Medicaid.

ODM contacted the Ohio Department of Health to find out the cost of licensure. The licensure application fee is \$300.00 annually and the licensure inspection fee is \$1,750 annually. In addition, it is estimated that staff would spend about 18 hours in filling out the application, preparing the paperwork for a licensure inspection, and participating in the licensure inspection. According to Labor Market

Information (LMI) data published by the Ohio Department of Job and Family Services in 2016, the median salary statewide hourly wage for an Administrative Services Manager is \$36.46 and adding 30 per cent for fringe benefits brings the figure to \$47.40. Therefore, the cost associated with staff time would be about \$850. In total, the estimated cost for licensure of a freestanding birth center is about \$2,900 annually. Again, this cost is absorbed prior to enrolling with Medicaid.

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**

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 freestanding birth center (FBC) participating in the Medicaid program must hold a current license to perform FBC services issued by the appropriate authority in the state in which it is located. In Ohio, the appropriate authority is the Ohio Department of Health.

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? **No**