

Rule Summary and Fiscal Analysis

Part A - General Questions

Rule Number: 5160-3-58

Rule Type: Rescission

Rule Title/Tagline: Nursing facilities (NFs): quality indicators and quality payment rate.

Agency Name: Ohio Department of Medicaid

Division:

Address: 50 Town St 4th floor Columbus OH 43218-2709

Contact: Tommi Potter **Phone:** 614-752-3877

Email: tommi.potter@medicaid.ohio.gov

I. Rule Summary

1. **Is this a five year rule review? Yes**
 - A. **What is the rule's five year review date? 4/15/2022**
2. **Is this rule the result of recent legislation? Yes**
 - A. **If so, what is the bill number, General Assembly and Sponsor? HB 110 - 134
- Rep. Oelslager**
3. **What statute is this rule being promulgated under? 119.03**
4. **What statute(s) grant rule writing authority? 5165.02**
5. **What statute(s) does the rule implement or amplify? 5165.25**
6. **What are the reasons for proposing the rule?**

This rule is being proposed for rescission because section 5165.25 of the Revised Code, the statute which the rule implements, was repealed by Amended Substitute House Bill 110 of the 134th General Assembly.

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

This rule sets forth the provisions for the nursing facility quality indicators as well as

the methodology used to determine the nursing facility quality payment rate.

8. **Does the rule incorporate material by reference? No**
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.**

Not Applicable

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

The funds for the quality payment set forth in this rule are being redirected to fund the quality incentive payment set forth in ORC 5165.26.

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

There are no costs of compliance to nursing facilities to meet the quality indicators described in this rule. It is standard practice for nursing homes to provide quality care so there would be no cost to meet the criteria in the rule.

In accordance with paragraph (E)(1) of this rule, a nursing facility will not receive a point for the pressure ulcer, antipsychotic medication, and unplanned weight loss quality indicators when the Department of Medicaid determines there is insufficient data to calculate a rate for these indicators. The cost of compliance to a nursing facility would be the facility's portion of the total amount of the quality funds to be paid statewide to all nursing facilities that the facility would now not receive.

In accordance with paragraph (E)(2) of this rule, a nursing facility will not receive a quality point for the employee retention quality indicator when the facility fails to

complete section eight of the Department of Medicaid's nursing facility annual cost report. The cost of compliance to a nursing facility would be the facility's portion of the total amount of the quality funds to be paid statewide to all nursing facilities that the facility would now not receive.

However, all the above costs are existing costs. There are no new costs as this rule is being proposed for rescission.

13. **Does the rule increase local government costs? (If yes, you must complete an RSFA Part B). Yes**
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? Yes**

In accordance with paragraph (E)(1) of this rule, a nursing facility will not receive a point for the pressure ulcer, antipsychotic medication, and unplanned weight loss quality indicators when the Department of Medicaid determines there is insufficient data to calculate a rate for these indicators.

In accordance with paragraph (E)(2) of this rule, a nursing facility will not receive a quality point for the employee retention quality indicator when the facility fails to complete section eight of the Department of Medicaid's nursing facility annual cost report.

- C. **Does this rule require specific expenditures or the report of information as a condition of compliance?** No
- 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?** Yes

In accordance with paragraph (E)(1) of this rule, a nursing facility will not receive a point for the pressure ulcer, antipsychotic medication, and unplanned weight loss quality indicators when the Department of Medicaid determines there is insufficient data to calculate a rate for these indicators. The facility will then not receive its portion of the total amount of the quality funds to be paid statewide to all nursing facilities that it otherwise would have received.

In accordance with paragraph (E)(2) of this rule, a nursing facility will not receive a quality point for the employee retention quality indicator when the facility fails to complete section eight of the Department of Medicaid's nursing facility annual cost report. The facility will then not receive its portion of the total amount of the quality funds to be paid statewide to all nursing facilities that it otherwise would have received.

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

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Part B - Local Governments Questions

1. Does the rule increase costs for:

A. Public School Districts	No
B. County Government	Yes
C. Township Government	No
D. City and Village Governments	Yes

2. Please estimate the total cost, in dollars, of compliance with the rule for the affected local government(s). If you cannot give a dollar cost, explain how the local government is financially impacted.

County and city/village governments that operate nursing facilities could incur costs of compliance with the proposed rule. The costs of compliance are the following:

There are no costs of compliance to nursing facilities to meet the quality indicators described in this rule. It is standard practice for nursing homes to provide quality care so there would be no cost to meet the criteria in the rule.

In accordance with paragraph (E)(1) of this rule, a nursing facility will not receive a point for the pressure ulcer, antipsychotic medication, and unplanned weight loss quality indicators when the Department of Medicaid determines there is insufficient data to calculate a rate for these indicators. The cost of compliance to a nursing facility would be the facility's portion of the total amount of the quality funds to be paid statewide to all nursing facilities that the facility would now not receive.

In accordance with paragraph (E)(2) of this rule, a nursing facility will not receive a quality point for the employee retention quality indicator when the facility fails to complete section eight of the Department of Medicaid's nursing facility annual cost report. The cost of compliance to a nursing facility would be the facility's portion of the total amount of the quality funds to be paid statewide to all nursing facilities that the facility would now not receive.

However, all the above costs are existing costs. There are no new costs as this rule is being proposed for rescission.

3. Is this rule the result of a federal government requirement? No

- A. **If yes, does this rule do more than the federal government requires?** *Not Applicable*
 - B. **If yes, what are the costs, in dollars, to the local government for the regulation that exceeds the federal government requirement?**
Not Applicable
4. **Please provide an estimated cost of compliance for the proposed rule if it has an impact on the following:**
- A. **Personnel Costs**
\$0.00
 - B. **New Equipment or Other Capital Costs**
\$0.00
 - C. **Operating Costs**
\$0.00
 - D. **Any Indirect Central Service Costs**
\$0.00
 - E. **Other Costs**

The cost to a nursing facility would be the facility's portion of the quality funds that the facility would now not receive.
5. **Please explain how the local government(s) will be able to pay for the increased costs associated with the rule.**
- There are no increased costs to providers associated with this rule filing. All costs of compliance are existing costs.
6. **What will be the impact on economic development, if any, as the result of this rule?**
- There is no discernible impact on economic development as a result of this proposed rule.