

**MEMORANDUM**

TO: Jenelle Donovan-Lyle, Ohio Department of Medicaid

FROM: Paula Steele, Regulatory Policy Advocate

DATE: November 14, 2013

RE: **CSI Review – Nursing Facilities Chart of Accounts and Cost Reporting (OAC 5160-3-42 and 5160-3-43.1)**

On behalf of Lt. Governor Mary Taylor, and pursuant to the authority granted to the Common Sense Initiative (CSI) Office under Ohio Revised Code (ORC) section 107.54, the CSI Office has reviewed the abovementioned administrative rule package and associated Business Impact Analysis (BIA). This memo represents the CSI Office's comments to the Agency as provided for in ORC 107.54.

Analysis

The Ohio Department of Medicaid (ODM) submitted to the CSI Office two amended¹ rules being reviewed under the five-year rule review as required by ORC 119.032. The proposed rules address the requirements for the completion and filing of the annual Medicaid cost report for nursing facilities related to Medicaid managed care plans (MCPs). The rule package was filed with the CSI Office on October 18, 2013, and the comment period for the rules closed on October 23, 2013. No comments were received during the public comment period.

The proposed rules implement ORC 5165.10 which requires Medicaid-participating nursing facility providers to file annual cost reports with the Department. Draft rule 5160-3-42 articulates the cost reporting use of the chart of accounts which prescribes the level of detail necessary for reporting purposes as prescribed in Appendix A. This rule and appendix are being amended to reflect recent legislative changes adopted in House Bill 59 which exclude oxygen, custom

¹ One of the existing rules is being amended by more than 50 percent, therefore the Legislative Service Commission requires that the existing rule be rescinded and replaced by a new rule that has the same rule number.

wheelchairs, and resident transportation from direct care and ancillary/support costs reimbursable through the nursing facility per diem rate. Proposed rule 5160-3-42.1 prescribes the methodology for which the annual report must be filed and is being amended to require the use of software provided by the Department, thereby eliminating the need for the rule's appendix which articulates general filing instructions, and provides printable forms.

According to the BIA, nursing facility providers were included in the rule review process and some account code modifications were made due to stakeholder input. After reviewing the revised proposed rule and the associated BIA, the CSI Office has determined that the rule satisfactorily meets the standards espoused by the CSI Office, and the purpose of the rule is justified.

Recommendation

For the reasons explained above, this office does not have any recommendations regarding this rule package.

Conclusion

Based on the above comments, the CSI Office concludes that the Department should proceed with the formal filing of this rule package with the Joint Committee on Agency Rule Review.

cc: Mark Hamlin, Lt. Governor's Office