

**MEMORANDUM**

**TO:** Tom Simmons, Policy Manager and Regulatory Ombudsman, Ohio Department of Aging

**FROM:** Sydney King, Regulatory Policy Advocate

**DATE:** July 25, 2014

**RE:** **CSI Review – Nursing Home Quality Initiative (OAC R 173-60-01, 173-60-02, 173-60-03, and 173-60-04)**

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On behalf of Lt. Governor Mary Taylor, and pursuant to the authority granted to the Common Sense Initiative (CSI) Office under Ohio Revised Code (O.R.C) 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 Aging (ODA) submitted to the CSI Office four new rules for review. The rule package was filed with the CSI Office on June 25, 2014, and the comment period for the rules closed on July 13, 2013. ODA submitted a revised BIA on July 23, 2014.

Recently-enacted Ohio Revised Code 173.60 requires ODA to implement the Nursing Home Quality Initiative (NHQI) with the goal of improving conditions for consumers in long-term care settings. Nursing homes are required to participate in ODA-approved quality improvement projects. O.R.C. 173.60 prescribes who may offer the projects. This includes state agencies, quality improvement organizations under contract with United States Department of Health and Human Services, the Ohio Person-Centered Care Coalition, and any other academic, research, or health care entity identified by ODA. O.R.C. 3721.072 requires nursing homes to participate in a quality improvement project every two years. Compliance with this requirement will be included in statutorily-required nursing home reviews conducted by the Ohio Department of Health.

The BIA describes a comprehensive stakeholder outreach process that included LeadingAge Ohio, Academy of Senior Health Sciences, Ohio KePRO, and Ohio Health Care Association. The framework for the NHQI was also presented during conferences to seek input. Amendments were made during the process as a result of stakeholder input. Two comments were received during the CSI public comment period. ODA responded providing explanation for the framework and reason for the implementation of NHQI.

The BIA identifies nursing homes as the impacted business community and provides a detailed analysis of the costs associated with implementing a quality improvement project. Many of the quality improvement project sponsors charge fees to participate. The fees range from \$425 to \$1,100. However, ODA states there are free projects offered through other sponsors and state agencies. ODA estimates nursing homes will also incur administrative costs for implementation but states that nursing homes may realize a reduction in expenses with some of the quality initiatives.

The rules are necessary to comply with O.R.C. 173.60 and 3721.072. ODA provides additional justification stating the rules improve the conditions for consumers in long-term care settings by requiring the participating in quality improvement projects.

After reviewing the proposed rules and the revised BIA, the CSI Office has determined that the rules satisfactorily meet the standards espoused by the CSI Office, and the purpose of the rules 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