

**MEMORANDUM**

**TO:** Tommi Potter, Ohio Department of Medicaid

**FROM:** Sophia Papadimos, Regulatory Policy Assistant

**DATE:** October 3, 2014

**RE:** **CSI Review – Managed Care 2014 Five-Year Rule Review (OAC 5160-26-02, 5160-26-06, 5160-26-07, 5160-26-07.1, 5160-26-08, 5160-26-08.1, 5160-26-08.2, 5160-26-08.3, 5160-26-08.4, 5160-26-08.5, 5160-26-09, 5160-26-11, and 5160-26-12)**

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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 (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**

This rule package consists of thirteen rules being proposed by the Ohio Department of Medicaid (ODM) pursuant to the five-year review requirement of ORC 119.032. The rule package was submitted to the CSI Office on August 20, 2014 and the public comment period was held open through August 27, 2014. One comment was received during this time. However, the comment did not directly relate to this rule package, and instead was a more general comment about Medicaid reimbursement.

This rule package pertains to Managed Care Plans (MCPs). Nine of the rules in this package are being proposed with amendments and four are being rescinded. The amended rules explain the enrollment process and the categories of individuals who are eligible for enrollment in MCPs. Additionally, the rules articulate guidelines for program integrity including fraud and abuse, audits, reporting and records retention. The rules also cover member services and marketing

requirements for MCPs. A grievance system is also outlined in the rules which include a hearing process and avenues of recourse for members to challenge MCPs. Lastly, the package describes ODM's methods of payment to MCPs and the obligations of the MCPs with respect to financial reporting and reinsurance. The majority of amendments are being proposed for clarification purposes. Additionally, changes are being made to correct legal citations and cross-references. The substance of two of the rescinded rules is being incorporated into rules pertaining to the grievance system and enrollment services in this package. The two other rescinded rules mirror federal requirements, and ODM explained the rules are redundant.

The adverse impacts described in the BIA are reporting requirements such as the submission of plans, reports and financial statements; the requirements to retain certain records; and written policies and procedures that must be in place. Federal regulations require ODM to ensure managed care plans comply with federal standards. After reviewing the proposed rules and associated BIA, the CSI Office has determined 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 Ohio Department of Medicaid should proceed with the formal filing of this rule package with the Joint Committee on Agency Rule Review.