



# Common Sense Initiative

Mike DeWine, Governor  
Jon Husted, Lt. Governor

Joseph Baker, Director

## Business Impact Analysis

Agency, Board, or Commission Name: OHIO DEPT. OF AGING

Rule Contact Name and Contact Information: Tom Simmons [rules@age.ohio.gov](mailto:rules@age.ohio.gov)

Regulation/Package Title (a general description of the rules' substantive content):

### PACE

Chapter 173-50 of the Administrative Code regulates the eligibility, enrollment, reassessment, and disenrollment processes for PACE in Ohio.

Rule Number(s): 173-50-04 and 173-50-05.

Date of Submission for CSI Review: March 15, 2024

Public Comment Period End Date: March 31, 2024 at 11:59PM.

#### Rule Type/Number of Rules:

☐ New/ # rules

☐ No Change/ # rules (FYR? ☐)

☒ Amended/ 2 rules (FYR? ☒)

☐ Rescinded/ 0 rules (FYR? ☐)

The Common Sense Initiative is established in R.C. 107.61 to eliminate excessive and duplicative rules and regulations that stand in the way of job creation. Under the Common Sense Initiative, agencies must balance the critical objectives of regulations that have an adverse impact on business with the costs of compliance by the regulated parties. Agencies should promote transparency, responsiveness, predictability, and flexibility while developing regulations that are fair and easy to follow. Agencies should prioritize compliance over punishment, and to that end, should utilize plain language in the development of regulations.

#### Reason for Submission

1. R.C. 106.03 and 106.031 require agencies, when reviewing a rule, to determine whether the rule has an adverse impact on businesses as defined by R.C. 107.52. If the agency determines that it does, it must complete a business impact analysis and submit the rule for CSI review.

Which adverse impact(s) to businesses has the agency determined the rule(s) create?

77 SOUTH HIGH STREET | 30TH FLOOR | COLUMBUS, OHIO 43215-6117

[CSIPublicComments@governor.ohio.gov](mailto:CSIPublicComments@governor.ohio.gov)

**The rule(s):**

- a. ☐ Requires a license, permit, or any other prior authorization to engage in or operate a line of business.
- b. ☐ Imposes a criminal penalty, a civil penalty, or another sanction, or creates a cause of action for failure to comply with its terms.
- c. ☒ Requires specific expenditures or the report of information as a condition of compliance.
- d. ☐ Is likely to directly reduce the revenue or increase the expenses of the lines of business to which it will apply or applies.

**Regulatory Intent**

**2. Please briefly describe the draft regulation in plain language.**

*Please include the key provisions of the regulation as well as any proposed amendments.*

Chapter 173-50 regulates participant eligibility, enrollment, reassessment, and disenrollment processes for PACE in Ohio.

Rule 173-50-04 of the Administrative Code exists to establish the Ohio-specific standards for a participant's voluntary disenrollment from PACE. ODA's proposal to amend this rule will result in amending approximately more than 50% of the rule, so ODA proposes to rescind the current version of this rule and to adopt a new rule in its place to comply with the 50% guideline in §4.3.1 of LSC's [Rule Drafting Manual](#). In doing so, ODA proposes to achieve the following:

- Replace the requirements to use a disenrollment form with requirements to notify ODA in writing.
- Permit the PACE organization to send a "written notice of disenrollment" rather than a "signed document" to ODA.
- Make additional non-substantive changes to improve the rule.

Rule 173-50-05 of the Administrative Code exists to establish the Ohio-specific standards for a participant's involuntary disenrollment from PACE. ODA's proposal to amend this rule will result in amending approximately more than 50% of the rule, so ODA proposes to rescind the current version of this rule and to adopt a new rule in its place to comply with the 50% guideline in §4.3.1 of LSC's [Rule Drafting Manual](#). In doing so, ODA proposes to achieve the following:

- Tailor this rule to list only Ohio-specific standards. This involves citing [42 CFR 460.164\(b\)](#) rather than restate it in this rule and indicating that the PACE organization is subject to the involuntary disenrollment process in 42 CFR 460.164 rather than restate that process in this rule.
- Eliminate Medicaid fraud as a reason for involuntary disenrollment since 42 CFR 460/164(b) does not list Medicaid fraud as a reason for involuntary disenrollment.
- No longer require the PACE organization to submit the participant's utilization profile to ODA when requesting permission to disenroll the participant.
- Make additional non-substantive changes to improve this rule.

**3. Please list the Ohio statute(s) that authorize the agency, board or commission to adopt the rule(s) and the statute(s) that amplify that authority.**

R.C. §§ [121.07](#), [173.01](#), [173.02](#), [173.50](#).

- 4. Does the regulation implement a federal requirement? Is the proposed regulation being adopted or amended to enable the state to obtain or maintain approval to administer and enforce a federal law or to participate in a federal program?  
*If yes, please briefly explain the source and substance of the federal requirement.***

Yes, these rules implement [42 CFR 460.162](#), [460.164](#), [460.166](#), and [460.172](#).

- 5. If the regulation implements a federal requirement, but includes provisions not specifically required by the federal government, please explain the rationale for exceeding the federal requirement.**

The rules exist to comply with the state laws (especially [RC §173.50](#)) mentioned in ODA's response to #3, which establish ODA as the state agency administering PACE and authorize ODA to adopt rules for PACE to the extent authorized in ODA's interagency agreement with ODM.

- 6. What is the public purpose for this regulation (i.e., why does the Agency feel that there needs to be any regulation in this area at all)?**

These rules establish necessary safeguards to ensure that qualified applicants are enrolled and qualified participants who want to remain in the program remain enrolled.

- 7. How will the Agency measure the success of this regulation in terms of outputs and/or outcomes?**

[42 CFR 460.192](#) requires CMS and ODA to conduct ongoing monitoring of the PACE organization to ensure compliance. The rules are judged as being successful when CMS and ODA find few violations from its monitoring.

- 8. Are any of the proposed rules contained in this rule package being submitted pursuant to R.C. 101.352, 101.353, 106.032, 121.93, or 121.931?**

*If yes, please specify the rule number(s), the specific R.C. section requiring this submission, and a detailed explanation.*

No.

### **Development of the Regulation**

- 9. Please list the stakeholders included by the Agency in the development or initial review of the draft regulation.**

*If applicable, please include the date and medium by which the stakeholders were initially contacted.*

ODA's guide [Participating in ODA's Rule Development](#) and the [main rules webpage](#) on ODA's website encourage stakeholders and the general public to give input on improving ODA's rules and provide contact information for doing so. From each rule's effective date to the date of this BIA, ODA received no input from stakeholders or the general public on any rule in this package by using this method.

A PACE organization is the only stakeholder to these rules that is an Ohio business. At the time of the drafting of this BIA, Ohio has only one PACE organization.

On March 6, 2024, ODA emailed McGregor PACE to announce that ODA was preparing to simplify rules 173-50-04 and 173-50-05 of the Administrative Code by referring to federal rules instead of restating them in these state rules with an indication that this would involve removing Medicaid fraud as a reason for involuntary disenrollment since federal rules did not list Medicaid fraud as a reason for involuntary disenrollment. ODA McGregor PACE an opportunity to comment on this proposal by March 12, 2024.

**10. What input was provided by the stakeholders, and how did that input affect the draft regulation being proposed by the Agency?**

ODA did not receive a response from McGregor PACE to ODA's March 5, 2024 email.

**11. What scientific data was used to develop the rule or the measurable outcomes of the rule? How does this data support the regulation being proposed?**

These rules are not based upon scientific data.

**12. What alternative regulations (or specific provisions within the regulation) did the Agency consider, and why did it determine that these alternatives were not appropriate? If none, why didn't the Agency consider regulatory alternatives? *Alternative regulations may include performance-based regulations, which define the required outcome, but do not dictate the process the regulated stakeholders must use to comply.***

Alternatives to the requirements in 42 CFR Part 460 are not permissible, although the rules in this package implement items that are unique to Ohio such as references to Ohio's level-of-care assessment rules, home-first component of PACE under [RC §173.501](#), and the unified waiting list.

**13. What measures did the Agency take to ensure that this regulation does not duplicate an existing Ohio regulation?**

[RC §173.50](#) authorizes ODA to develop standards for PACE. ODA did not find duplicate rules.

**14. Please describe the Agency's plan for implementation of the regulation, including any measures to ensure that the regulation is applied consistently and predictably for the regulated community.**

Before the proposed amendments to these rules take effect, ODA will post them on ODA's website. ODA will also send an email to subscribers of our rule-notification service to feature them.

Through regular monitoring activities under [42 CFR 460.192](#), CMS and ODA will conduct ongoing monitoring of the PACE organization to ensure compliance.

**Adverse Impact to Business**

**15. Provide a summary of the estimated cost of compliance with the rule(s). Specifically, please do the following:**

**a. Identify the scope of the impacted business community, and**

Every PACE organization in Ohio, which is currently only 1 PACE organization, McGregor PACE.

- b. **Quantify and identify the nature of all adverse impact (e.g., fees, fines, employer time for compliance, etc.).**

*The adverse impact can be quantified in terms of dollars, hours to comply, or other factors; and may be estimated for the entire regulated population or for a representative business. Please include the source for your information/estimated impact.*

Rule 173-50-04 of the Administrative Code requires the PACE organization to notify ODA in writing when a participant voluntarily disenrolls from PACE, to continue to provide services until the effective date of disenrollment, and to initiate a discharge plan for the participant. The rule will also allow the PACE organization to notify ODA in writing without using a disenrollment form or a signed statement.

Rule 173-50-05 of the Administrative Code requires the PACE organization to provide ODA with documentation reflecting the grounds for involuntary disenrollment and the PACE organization's efforts to remedy the situation.

- 16. Are there any proposed changes to the rules that will reduce a regulatory burden imposed on the business community? Please identify. (*Reductions in regulatory burden may include streamlining reporting processes, simplifying rules to improve readability, eliminating requirements, reducing compliance time or fees, or other related factors*).**

Yes.

ODA proposes to reduce the regulatory impact of rule 173-50-04 of the Administrative Code by no longer requiring the PACE organization to use a disenrollment form or signed statement to notify ODA of a voluntary disenrollment.

ODA proposes to reduce the regulatory impact of rule 173-50-05 of the Administrative Code by no longer requiring the PACE organization to submit the participant's utilization profile to ODA when requesting permission to disenroll a participant.

- 17. Why did the Agency determine that the regulatory intent justifies the adverse impact to the regulated business community?**

ODA develops rules for PACE to ensure that qualified applicants are enrolled, participants who do not want to participate are voluntarily disenrolled, and those who no longer qualify are involuntarily disenrolled. Additionally, ODA is reducing adverse impact through this rule package.

Providers voluntarily apply to become a PACE organization. Compliance with Chapter 173-50 is only required if a provider chooses to become a PACE organization. ODA pays the PACE organization for the services it provides through PACE to Medicaid-enrolled participants.

### **Regulatory Flexibility**

- 18. Does the regulation provide any exemptions or alternative means of compliance for small businesses? Please explain.**

Although the rules would treat all PACE organizations the same, regardless of their size, Ohio currently has only one PACE organization. Additionally, the primary purpose of Chapter 173-50 is to ensure the health and safety of participants enrolled in PACE, regardless of the size of the PACE organization providing services to the participants.

- 19. How will the agency apply Ohio Revised Code section 119.14 (waiver of fines and penalties for paperwork violations and first-time offenders) into implementation of the regulation?**

ODA is concerned primarily about ensuring that qualified applicants are enrolled. Whenever possible, ODA will treat administrative violations that do not involve health and safety as opportunities for improvement through warning notices and solicitation of corrective action.

**20. What resources are available to assist small businesses with compliance of the regulation?**

ODA and its designees are available to help providers of all sizes with their questions. Any person may contact [Tom Simmons](#), ODA's policy development manager, with questions about these rules.