

Rule Summary and Fiscal Analysis

Part A - General Questions

Rule Number: 3701-16-03

Rule Type: New

Rule Title/Tagline: Initial, renewal, and change of operator license applications; fees; issuance; revocation; notice.

Agency Name: Department of Health

Division:

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I. Rule Summary

1. Is this a five year rule review? No
 - A. What is the rule's five year review date?
2. Is this rule the result of recent legislation? Yes
 - A. If so, what is the bill number, General Assembly and Sponsor? SB 9 - 134 - Rob McColley, Kristina Roegner
3. What statute is this rule being promulgated under? 119.03
4. What statute(s) grant rule writing authority? 3721.04
5. What statute(s) does the rule implement or amplify? 3721.01, 3721.011, 3721.03, 3721.05, 3721.06, 3721.07
6. Does the rule implement a federal law or rule in a manner that is more stringent or burdensome than the federal law or regulation requires? No
 - A. If so, what is the citation to the federal law or rule? Not Applicable
7. What are the reasons for proposing the rule?

Five Year Rule Review of Chapter 3701-16 is due 2/24/2024 and rule 3701-16-03 is being rescinded and replaced with new rule 3701-16-03 due to Legislative Service Commission rule drafting requirements.

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

The rule describes the licensure application and renewal procedures for RCFs, the conditions for issuance of licenses, and the circumstances in which a license can be revoked. Revisions have been made to clarify the requirements for a Change of Operator application, the requirement for a statement of financial solvency, and additional contact methods such as electronic email address and telephone number for the applicant and other parties to the business. Additional revisions include a listing of who must be notified of a closing of a facility, including residents and their sponsors or legal representatives and the state long-term care ombudsman.

- 9. Does the rule incorporate material by reference? Yes**
- 10. 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.**

OAC and ORC exempted. Information is readily available online.

- 11. 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

- 12. 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

Not Applicable.

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

License application/renewal fee of \$320.00 for every 50 beds or part thereof (up to \$960.00).

Potential late fee of \$100/week for non-payment of renewal fee in a timely manner (up to \$300.00).

Completion and submission of an application to operate a RCF and notice of changes to the information contained in the application.

Completion and submission of a renewal application.

Provision of additional information if requested.

Notification of closure of a home to ODH, residents/sponsors, and regional ombudsman.

This could be up to 8 hours annually at an average of \$48.95 per hour.*

*Figures from United States Department of Labor, Bureau of Labor Statistics, Occupational Employment and Wages for the State of Ohio, May, 2023, using the codes for Medical and Health Services Managers (11-9111)

14. **Does the rule increase local government costs? (If yes, you must complete an RSFA Part B). No**
15. **Does the rule regulate environmental protection? (If yes, you must complete an RSFA Part C). No**
16. **If the rule imposes a regulation fee, explain how the fee directly relates to your agency's cost in regulating the individual or business.**

The regulation fee directly relates to the agency's cost to operate information technology, staffing, and processing of applications.

III. Common Sense Initiative (CSI) Questions

17. **Was this rule filed with the Common Sense Initiative Office? Yes**
18. **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? Yes**

Yes, there needs to be a license issued by ODH to operate an RCF.

- 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**

Yes, this rule gives ODH authority to revoke or not issue a license if fees or information is not valid to do so.

- C. Does this rule require specific expenditures or the report of information as a condition of compliance? Yes**

Yes, this rule requires the application process which is the report of information to ODH.

- 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**

Yes, payment of the required license fee creates an expense for an RCF.

IV. Regulatory Restriction Requirements under S.B. 9. Note: This section only applies to agencies described in R.C. 121.95(A).

- 19. 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 to this rule?**

Not Applicable

- B. How many existing regulatory restrictions do you propose removing from this rule?**

Not Applicable

- C. If you are not removing existing regulatory restrictions from this rule, please list the rule number(s) from which you are removing restrictions.**

Not Applicable

- D. Please justify the adoption of the new regulatory restriction(s).**

Not Applicable