

## Rule Summary and Fiscal Analysis

### Part A - General Questions

**Rule Number:** 5101:2-16-10

**Rule Type:** New

**Rule Title/Tagline:** Payment rates and procedures for providers of publicly funded child care services.

**Agency Name:** Department of Job and Family Services

**Division:** Division of Social Services

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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?** No

**3. What statute is this rule being promulgated under?** 119.03

**4. What statute(s) grant rule writing authority?** 5104.39, 5104.38, 5104.30

**5. What statute(s) does the rule implement or amplify?** 5104.39, 5104.38, 5104.35, 5104.30

**6. What are the reasons for proposing the rule?**

This new rule is being proposed to replace rescinded rule 5101:2-16-41 to group regulations according to topic and to renumber the rules consecutively as part of the five year rule review.

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

This rule sets forth the payment rates and procedures for providers of publicly funded child care (PFCC) services. The following changes were made:

- 1) Changed to the question and answer format.
- 2) Clarified how rates for providers are established.
- 3) Clarified that categories of authorization are based on the total number of weekly child care hours approved for publicly funded child care.
- 4) Clarified that payment is made based on the total number of child care hours provided in a week, not to exceed the child's category of authorization.
- 5) Clarified how providers are compensated for caring for children with special needs.
- 6) Added requirements for Ohio department of job and family services payment of registration fees for children in care.
- 7) Updated Appendix A to the rule to reflect new provider payment categories and rates.

8. **Does the rule incorporate material by reference? Yes**
9. **If the rule incorporates material by reference and the agency claims the material is exempt pursuant to R.C. 121.71 to 121.76, please explain the basis for the exemption and how an individual can find the referenced material.**

This rule incorporates one or more references to another rule or rules of the Ohio Administrative Code. This question is not applicable to any incorporation by reference to another OAC rule because such reference is exempt from compliance with RC 121.71 to 121.74 pursuant to RC 121.76(A)(3).

10. **If revising or re-filing the rule, please indicate the changes made in the revised or re-filed version of the rule.**

This rule is being revised to clarify the market rate survey process for determining provider rates.

## **II. Fiscal Analysis**

11. **As a result of this proposed rule, please estimate the increase / decrease in revenues or expenditures affecting this agency, or the state generally, in the current biennium or future years. If the proposed rule is likely to have a different fiscal effect in future years, please describe the expected difference and operation.**

This will increase expenditures.

\$87,000,000

This rule will have an impact on expenditures as a result of moving rates to the 25th percentile, implementing the 2018 market rate categories and adding registration fees. The cost is estimated to be \$87,000,000 for state fiscal year 2020 and \$91,000,000 for state fiscal year 2021.

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

There will be time costs for providers to set up written copay agreements for caretakers who have co-payments. These time costs will vary according to the provider's business model and the number of caretakers in the program with co-payments.

**13. Does the rule increase local government costs? (If yes, you must complete an RSFA Part B). No**

**14. Does the rule regulate environmental protection? (If yes, you must complete an RSFA Part C). No**

**III. Common Sense Initiative (CSI) Questions**

**15. Was this rule filed with the Common Sense Initiative Office? No**

**16. Does this rule have an adverse impact on business? No**

- A. Does this rule require a license, permit, or any other prior authorization to engage in or operate a line of business? No**
- 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? No**
- C. Does this rule require specific expenditures or the report of information as a condition of compliance? No**