

Rule Summary and Fiscal Analysis (Part A)**Department of Job and Family Services**

Agency Name

Division of Medical Assistance

Division

Nancy Van Kirk

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5101:3-46-06

Rule Number

AMENDMENT

TYPE of rule filing

Rule Title/Tag Line

**Ohio home care waiver: reimbursement rates and billing
procedures.****RULE SUMMARY**

1. Is the rule being filed consistent with the requirements of the RC 119.032 review? **Yes**

2. Are you proposing this rule as a result of recent legislation? **Yes**

Bill Number: **HB1**General Assembly: **128**Sponsor: **Sykes**

3. Statute prescribing the procedure in accordance with the agency is required to adopt the rule: **119.03**

4. Statute(s) authorizing agency to adopt the rule: **5111.021, 5111.85, Section 309.30.75 of Am. Sub. H.B. 1, 128th G.A.**

5. Statute(s) the rule, as filed, amplifies or implements: **5111.01, 5111.02, 5111.021, 5111.85, Section 309.30.75 of Am. Sub. H.B. 1, 128th G.A.**

6. State the reason(s) for proposing (i.e., why are you filing,) this rule:

Five-year rule review.

This rule is being amended to attain cost savings prescribed in Amended Substitute House Bill 1, Section 309.30.75 which requires the Department to reduce the

reimbursement rates for specified providers to result in an amount that is at least three per cent lower in the aggregate than the rates in effect on December 31, 2009.

This rule is also being amended to remove references to rescinded Ohio Administrative Code rules.

7. If the rule is an AMENDMENT, then summarize the changes and the content of the proposed rule; if the rule type is RESCISSION, NEW or NO CHANGE, then summarize the content of the rule:

Rule 5101:3-46-06, entitled Ohio Home Care Waiver Program: Reimbursement Rates and Billing Procedures, is being amended to decrease the Medicaid maximum rate of reimbursement for certain Ohio Home Care Waiver services by three percent effective January 1, 2010. The changes include the following: Waiver nursing provided by either a registered nurse or licensed practical nurse shall be reimbursed \$54.95 for the first hour and \$5.69 for each fifteen minute unit thereafter; personal care aide services shall be reimbursed \$23.98 for the first hour and \$3.00 for each fifteen minute unit thereafter; out of home respite shall be reimbursed \$199.82 per day; supplemental transportation services shall be reimbursed \$0.38 per mile; adult day health center services shall be reimbursed \$32.48 per half-day and \$64.94 per full day; emergency response services shall be reimbursed \$44.96 per installation and testing and \$44.96 for monthly usage; and home delivered meal services shall be reimbursed \$6.99 per meal. There are no additional changes in methods and standards. This rule is also being amended to remove references to rescinded Ohio Administrative Code rules.

8. If the rule incorporates a text or other material by reference and the agency claims the incorporation by reference is exempt from compliance with sections 121.71 to 121.74 of the Revised Code because the text or other material is **generally available** to persons who reasonably can be expected to be affected by the rule, provide an explanation of how the text or other material is generally available to those persons:

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).

9. If the rule incorporates a text or other material by reference, and it was **infeasible** for the agency to file the text or other material electronically, provide an explanation of why filing the text or other material electronically was infeasible:

Not applicable

10. If the rule is being **rescinded** and incorporates a text or other material by reference, and it was **infeasible** for the agency to file the text or other material, provide an explanation of why filing the text or other material was infeasible:

Not Applicable.

11. If **revising** or **refiling** this rule, identify changes made from the previously filed version of this rule; if none, please state so:

There are no changes to the rule; however, there are changes to the notice and the Rule Summary and Fiscal Analysis (RSFA).

The notice is being changed to provide a breakdown of the \$11.7 million total annual approximate expenditure decrease by each waiver program.

The RSFA, Part A, Question 13 is being revised to provide the amount expenditures will decrease for the remaining biennium as a result of the rule changes. The previously provided number was the total for this rule, and rules 5101:3-47-06 and 5101:3-50-06.

RSFA, Part A, Question 15 is being revised to more accurately describe the cost of compliance with the rule to all directly affected persons.

RSFA, Part B, Questions 2, 5, 6 and 7 are being revised to more accurately describe the estimated cost of compliance with the rule for counties, townships and municipal corporations and to more accurately describe the rule's fiscal impact on agencies and local governments.

12. 119.032 Rule Review Date: **10/8/2009**

(If the rule is not exempt and you answered NO to question No. 1, provide the scheduled review date. If you answered YES to No. 1, the review date for this rule is the filing date.)

NOTE: If the rule is not exempt at the time of final filing, two dates are required: the current review date plus a date not to exceed 5 years from the effective date for Amended rules or a date not to exceed 5 years from the review date for No Change rules.

FISCAL ANALYSIS

13. Estimate the total amount by which *this proposed rule* would **increase**

decrease either **revenues /expenditures** for the agency during the current biennium (in dollars): Explain the net impact of the proposed changes to the budget of your agency/department.

This will decrease expenditures.

\$11,010,382

The total estimated decrease in expenditures for the proposed amendment to this rule is \$11,010,382 for the current Medicaid biennium budget.

14. Identify the appropriation (by line item etc.) that authorizes each expenditure necessitated by the proposed rule:

600525

15. Provide a summary of the estimated cost of compliance with the rule to all directly affected persons. When appropriate, please include the source for your information/estimated costs, e.g. industry, CFR, internal/agency:

The changes in this rule will reduce Medicaid reimbursement to providers. To the extent that this reduction in reimbursement is a cost of compliance, providers will be subject to a cost of compliance when they bill for the affected services. The Department cannot provide an estimate of the impact in reimbursement, because the amount of the reduction will vary from provider to provider, depending on their business model and the frequency at which they bill the reduced codes.

16. Does this rule have a fiscal effect on school districts, counties, townships, or municipal corporations? **Yes**

You must complete Part B of the Rule Summary and Fiscal Analysis in order to comply with Am. Sub. S.B. 33 of the 120th General Assembly.

17. Does this rule deal with environmental protection or contain a component dealing with environmental protection as defined in R. C. 121.39? **No**

Rule Summary and Fiscal Analysis (Part B)

1. Does the Proposed rule have a fiscal effect on any of the following?

(a) School Districts	(b) Counties	(c) Townships	(d) Municipal Corporations
No	Yes	Yes	Yes

2. Please provide an estimate in dollars of the cost of compliance with the proposed rule for school districts, counties, townships, or municipal corporations. If you are unable to provide an estimate in dollars, please provide a written explanation of why it is not possible to provide such an estimate.

The changes in this rule will reduce Medicaid reimbursement to providers. To the extent that this reduction in reimbursement is a cost of compliance, and to the extent that providers of these services are counties, townships or municipal corporations, providers will be subject to a cost of compliance when they bill for the affected services. The Department cannot provide an estimate of the impact in reimbursement, because the amount of the reduction will vary from provider to provider, depending on their business model and the frequency at which they bill the reduced codes.

3. If the proposed rule is the result of a federal requirement, does the proposed rule exceed the scope and intent of the federal requirement? **No**

4. If the proposed rule exceeds the minimum necessary federal requirement, please provide an estimate of, and justification for, the excess costs that exceed the cost of the federal requirement. In particular, please provide an estimate of the excess costs that exceed the cost of the federal requirement for (a) school districts, (b) counties, (c) townships, and (d) municipal corporations.

Not Applicable.

5. Please provide a comprehensive cost estimate for the proposed rule that includes the procedure and method used for calculating the cost of compliance. This comprehensive cost estimate should identify all of the major cost categories including, but not limited to, (a) personnel costs, (b) new equipment or other capital costs, (c) operating costs, and (d) any indirect central service costs.

This rule is being proposed in response to provisions in Ohio Amended Substitute

House Bill 1 that require reduced expenditures to certain community providers, including ODJFS-administered waiver services by an aggregate amount of three percent for dates of service on or after January 1, 2010.

(a) Personnel Costs

The changes in this rule will reduce Medicaid reimbursement to providers. To the extent that this reduction in reimbursement is a cost of compliance, and to the extent that providers of these services are counties, townships or municipal corporations, providers will receive less revenue which can be used to cover personnel costs when they bill for the affected services. The Department cannot provide an estimate of the impact in reimbursement, because the amount of the reduction will vary from provider to provider, depending on their business model and the frequency at which they bill the reduced codes.

(b) New Equipment or Other Capital Costs

The changes in this rule will reduce Medicaid reimbursement to providers. To the extent that this reduction in reimbursement is a cost of compliance, and to the extent that providers of these services are counties, townships or municipal corporations, providers will receive less revenue which can be used to cover new equipment or other capital costs when they bill for the affected services. The Department cannot provide an estimate of the impact in reimbursement, because the amount of the reduction will vary from provider to provider, depending on their business model and the frequency at which they bill the reduced codes.

(c) Operating Costs

The changes in this rule will reduce Medicaid reimbursement to providers. To the extent that this reduction in reimbursement is a cost of compliance, and to the extent that providers of these services are counties, townships or municipal corporations, providers will receive less revenue which can be used to cover operating costs when they bill for the affected services. The Department cannot provide an estimate of the impact in reimbursement, because the amount of the reduction will vary from provider to provider, depending on their business model and the frequency at which they bill the reduced codes.

(d) Any Indirect Central Service Costs

The changes in this rule will reduce Medicaid reimbursement to providers. To

the extent that this reduction in reimbursement is a cost of compliance, and to the extent that providers of these services are counties, townships or municipal corporations, providers will receive less revenue which can be used to cover indirect central service costs when they bill for the affected services. The Department cannot provide an estimate of the impact in reimbursement, because the amount of the reduction will vary from provider to provider, depending on their business model and the frequency at which they bill the reduced codes.

(e) Other Costs

The changes in this rule will reduce Medicaid reimbursement to providers. To the extent that this reduction in reimbursement is a cost of compliance, and to the extent that providers of these services are counties, townships or municipal corporations, providers will receive less revenue which can be used to cover other costs when they bill for the affected services. The Department cannot provide an estimate of the impact in reimbursement, because the amount of the reduction will vary from provider to provider, depending on their business model and the frequency at which they bill the reduced codes.

6. Please provide a written explanation of the agency's and the local government's ability to pay for the new requirements imposed by the proposed rule.

The changes in this rule will reduce Medicaid reimbursement to providers. To the extent that this reduction in Medicaid reimbursement imposes new requirements, and to the extent that providers of these services are counties, townships or municipal corporations, providers will receive less revenue as Medicaid reimbursement when they bill for the affected services. The Department cannot provide an estimate of the impact in reimbursement, because the amount of the reduction will vary from provider to provider, depending on their business model and the frequency at which they bill the reduced codes.

7. Please provide a statement on the proposed rule's impact on economic development.

These rule amendments reduce reimbursement to various providers of services and thus could result in a reduction in Medicaid reimbursement received in a county, township or municipal corporation. The amount of the reduction will vary by county, township, or municipal corporation. Therefore, the Department cannot estimate the effect of these proposed rule amendments on economic development.