



Common Sense Initiative

Mike DeWine, *Governor*
Jim Tressel, *Lt. Governor*

Joseph Baker, *Director*

MEMORANDUM

TO: Tom Simmons, Ohio Department of Aging

FROM: Michael Bender, Business Advocate

DATE: July 9, 2025

RE: **CSI Review – Older Americans Act: Uniform Administrative Requirements, Cost Principles, and Audit Requirements (OAC 173-3-04, 173-3-05, and 173-4-04)**

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 Department as provided for in ORC 107.54.

Analysis

This rule package consists of three amended rules proposed by the Ohio Department of Aging (Department) as part of the statutory five-year review process. This rule package was submitted to the CSI Office on April 24, 2025, and the public comment period was held open through May 7, 2025. Unless otherwise noted below, this recommendation reflects the version of the proposed rules filed with the CSI Office on April 24, 2025.

Ohio Administrative Code (OAC) 173-3-04 sets forth the general requirements for area agency on aging (AAA)-provider agreements for services that are paid in whole or in part with Older Americans Act (OAA) funds. The rule is amended to update citations. OAC 173-3-05 describes the procurement standards for AAA-provider agreements. The rule is amended to update language and citations and account for increased micro-purchase thresholds. OAC 173-4-04 outlines how AAAs must incorporate person direction into the procurement for nutrition services, which include congregate

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dining projects and home-delivered meals, paid in whole or in part with OAA funds. The rule is amended to update language and citations.

During early stakeholder outreach, the Department emailed stakeholders on April 16, 2025, explaining that the United State Department of Health and Human Services announced plans to replace federal regulations concerning uniform administrative requirements, cost principles, and audit requirements. Consequently, the Department needed to revise certain regulatory references found in the rules contained in this package and requested feedback from interested parties. Among the contacted stakeholders were Catholic Social Services of the Miami Valley, LeadingAge Ohio, the Ohio Academy of Senior Health Sciences, Inc., the Ohio Adult Day Healthcare Association, the Ohio Assisted Living Association, the Ohio Association of Area Agencies on Aging, the Ohio Association of Medical Equipment Suppliers, the Ohio Association of Senior Centers, the Ohio Council for Home Care and Hospice, the Ohio Health Care Association, Ohio Jewish Communities, and the Office of the State Long-Term Care Ombudsman. No comments were received in response to the request for feedback. During the CSI public comment period, the Department received one comment from an individual who requested that the Department require agencies that receive OAA funds to respond to questions within twenty-four hours. The Department replied that the suggestion did not fit within the scope of the rules. It further explained that establishing a strict one-day response requirement may not be feasible or enforceable across all agencies and providers due to variability in staffing, case complexity, and operational capacity. The Department pointed out that consumers who experience delays or unaddressed concerns can file a formal grievance with their local AAA, as AAAs are required by federal law to have grievance procedures for older individuals who are denied or dissatisfied with services.

The business community impacted by the rules includes every provider with an AAA-provider agreement for a service that is paid in whole or in part with OAA funds. The adverse impacts created by the rules include the time and costs necessary to comply with general standards for every AAA-provider agreement, general procurement standards for AAA-provider agreements, and specific standards pertaining to providing person direction as part of the procurement for nutrition services. A provider establishes the rate it is paid by submitting a bid to an AAA for how much it will charge per unit in response to a request for proposal. If the provider's bid is selected, it is paid an all-inclusive rate by the AAA to cover all costs incurred in providing the service based upon the rate that it bid. Additionally, the Department notes that entering into an AAA-provider agreement is voluntary. The Department states that the adverse impacts to business are justified to implement state statutory requirements, comply with federal laws and regulations, and ensure the health and safety of older Ohioans who are consumers of services through OAA programs.

Recommendations

Based on the information above, the CSI Office has no recommendations on this rule package.

Conclusion

The CSI Office concludes that the Department should proceed in filing the proposed rules with the Joint Committee on Agency Rule Review.