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OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research
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Office

H.B. 572
134th General Assembly

Fiscal Note & Local Impact Statement

[Click here for H.B. 572's Bill Analysis](#)

Version: As Reported by House Families, Aging and Human Services

Primary Sponsors: Reps. Ginter and Carruthers

Local Impact Statement Procedure Required: No

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Highlights

- The bill requires the Ohio Department of Aging (ODA) and the Ohio Department of Medicaid (ODM) to establish programs to provide additional payments to assisted living facilities that are eligible to participate in the Assisted Living Waiver Medicaid Program. Overall costs of the program could be in the tens of millions of dollars.

Detailed Analysis

Program and payment levels

The bill requires ODA and ODM to establish a program which provides additional payments to assisted living facilities participating in the Assisted Living Waiver. The bill requires that the departments establish payment levels for assisted living facilities that are reimbursed under Service Tier Reimbursement Rate III under the Assisted Living Waiver. The payment levels are based on the percentage of the facility's residents who participate in the Assisted Living waiver, and the payment amounts are based on a percentage of the average Medicaid payment rate for all Ohio nursing facilities, as follows:

Percentage of Residents in the Assisted Living Waiver	Payment Rate (as a percentage of the average nursing facility Medicaid payment rate)
15%-29.99%	35%
30%-49.99%	40%

Percentage of Residents in the Assisted Living Waiver	Payment Rate (as a percentage of the average nursing facility Medicaid payment rate)
50%-69.99%	50%
70%-100%	60%

The Medicaid Director and the Director of Aging may establish payment rates for other assisted living facilities not described above.

Fiscal impact

According to ODA waiver data, the ending caseload for the Assisted Living Waiver Program in October 2022 was over 3,100 participants. In addition, there were roughly 370 contracted assisted living providers. LBO does not have any data regarding the percentages of Assisted Living participants at any of these provider locations, so it is difficult to determine the total costs. However, estimated costs of the program are likely to be in the tens of millions of dollars. For illustrative purposes, if the average Assisted Living payment rate was increased by \$1 per day, then costs for a single participant would increase by \$365 per year. Assuming all 3,100 participants could receive this increase, the costs would be about \$1.1 million ($\$365 \times 3,100$ participants). The current average nursing facility payment rate is over \$200 per day per bed. Sixty percent (60%) of this rate is about \$120. The current Tier 3 Assisted Living rate is about \$75 per day.¹ Thus, the net increase for the Assisted Living rates created under the bill could be roughly \$45 ($\$120 - \75) for facilities that have 70% to 100% of residents in the Assisted Living waiver program. For any increase, the state would receive federal reimbursement of about 64%. Additionally, ODA and ODM will realize a minimal increase in administrative costs to adopt specified rules.

Assisted Living Program background

The Assisted Living Program is administered by ODA. However, funding for the program, for everything except ODA's administrative costs, is provided for in ODM's budget. The program provides a home-like environment with personal support services. To be eligible for the program, a person must be age 21 or older, need hands-on assistance with certain daily activities, be able to pay room and board, and meet the financial criteria for Medicaid eligibility. Examples of Assisted Living services include personal care, support services, meals, and nursing. Additionally, the program also provides community transition services to help consumers move from a nursing facility into an assisted living facility. Program participants use personal resources to cover room and board expenses.

¹ Currently, reimbursement for Assisted Living is grouped by tiers depending on an individual's level of need, with the third tier requiring more care and thus receiving a higher reimbursement.