

Assisted Living Waiver Budget Proposal

Goals:

1. Provide statutory authority for the Department of Aging to implement a formula, to be specified in rules, to update waiver rates on an ongoing basis without the need for further legislative intervention.
2. Fill the gap between the most recent rate increases (January 1 and July 1, 2024) and implementation of the new formula (January 1, 2028) with percentage increases.
3. Add retainer payments to protect assisted living residents' homes.
4. Create a task force to make recommendations for the vision of affordable assisted living in the future.

Details:

Goals 1-2:

- Permanent statutory authority in the Revised Code for adoption of the necessary rules. Also would require a waiver amendment.
- Start with existing rates (basic, memory care, critical access), but allow rules to add more rates/tiers if determined to be necessary.
- Authorize ODA to work with stakeholders to develop rules specifying a tool for collecting data on cost changes and a method for analyzing the data to determine the percentage change to take effect annually beginning January 1, 2028.
 - Cost changes would be for the previous calendar year compared to the year before. For example, the January 1, 2028, adjustment would be based on comparing costs for CY 2025 and 2026.
 - Providers would need to submit the tool by July 1 of the following year.
 - The tool would be completed by a representative sample of waiver providers. To be statistically valid, 200+ facilities would be needed.
 - Data collection would not be a cost report. Instead, it should create as little administrative burden for providers as possible, focusing on a small number of defined buckets of costs that all providers could track and that align with any CMS access rule reporting requirements applicable to the waiver.
- The rules would specify that ODA gathers the data and analyzes it to determine a single update percentage for all of the waiver rates, to be applied beginning January 1 of each

year.

- The first update using the formula would not be until January 1, 2028, outside the upcoming biennium, so the budget also would include appropriations and legislative intent language for percentage rate increases to take effect January 1, 2026, and January 1, 2027.
- These increases would be proposed for the interim period, during the upcoming biennium:
 - 4.7% for January 1, 2026, rates (actual/projected CPI increase for the second half of CY 2023 and all of 2024).
 - 1.9% for January 1, 2027 (projected CPI increase for CY 2025).
- The proposal should include funding for ODA's administrative costs to collect and analyze the data.
- Estimated cost:

Item	All Funds	State Share
FY 2026 increase	\$16.2 million	\$6 million
FY 2027 increase	\$6.9 million	\$2.5 million
FY 2027 administrative	\$300,000	\$150,000

Goal 3:

- Temporary law to seek CMS approval for a waiver amendment for retainer payments to begin July 1, 2026.
- Retainer payments would be available for temporary absences totaling no more than 30 days in a calendar year and would be paid at 100% of the applicable waiver rate.
- Estimated cost:

Item	All Funds	State Share
FY 2027 retainer payments	\$2.16 million	\$798,000

Goal 4:

- In conjunction with the rate provisions discussed above, temporary law to establish a task force on Ohio's vision for affordable assisted living.
- The task force would be chaired by the Director of Aging.
- It would include a broad range of assisted living stakeholders.
- It would be charged with developing a report and recommendations for ensuring that Ohio maintains and expands access to affordable assisted living.