



Ohio Administrative Code

Rule 5123-7-21 Intermediate care facilities for individuals with intellectual disabilities - compensation cost limits for owners and relatives of owners.

Effective: June 30, 2025

(A) Purpose

This rule establishes limits, applicable to the cost report of an intermediate care facility for individuals with intellectual disabilities (ICFIID), for the amount of compensation that may be claimed for owners or relatives of owners of the ICFIID.

(B) Calculating compensation cost limits for owners and relatives of owners serving in positions for which comparable positions exist

Compensation cost limits for owners and relatives of owners are based upon compensation costs for persons who hold comparable positions but who are not owners or relatives of owners, as reported on the ICFIID's cost report from the calendar year preceding the fiscal year in which the rate is paid. As used in this rule, "comparable position" means the position that is held by the owner or relative of an owner, if that position is listed separately on the ICFIID's cost report, or if the position is not listed separately, the group of positions that is listed on the ICFIID's cost report and that includes the position held by the owner or relative of an owner. The compensation cost limits for owners and relatives of owners who function in positions listed on attachment 6 of the cost report are based upon the wage and hour equivalents which are calculated as follows:

(1) The compensation cost limits for owners and relatives of owners are calculated from:

(a) Cost reports with a December thirty-first end date; and

(b) Desk-reviewed and preliminarily determined to be allowable costs.

(2) For each wage and hour chart of account number from attachment 6 of the cost report, calculate the compensation cost limits as follows:



(a) Calculate the total non-owner wages paid by summing the total non-owner wages paid (column E) for all providers that have amounts reported in columns (E) and (H) of attachment 6.

(b) Calculate the total non-owner hours paid by summing the total non-owner hours paid (column H) for all providers that have amounts reported in columns (E) and (H) of attachment 6.

(c) Calculate the average hourly rate by dividing the total non-owner wages paid as calculated in accordance with paragraph (B)(2)(a) of this rule by the total non-owner hours paid as calculated in accordance with paragraph (B)(2)(b) of this rule.

(d) Calculate the compensation cost limit by multiplying the average hourly rate as calculated in accordance with paragraph (B)(2)(c) of this rule by two thousand eighty hours.

(C) Calculating compensation cost limits for owners and relatives of owners serving in positions for which comparable positions do not exist

Compensation cost limits for owners and relatives of owners who serve the ICFIID in a capacity such as corporate officer, for which no comparable position or group of positions is listed on attachment 6 of the cost report are based upon the civil service equivalents established in accordance with rule 123:1-7-15 of the Administrative Code. Compensation for owners and relatives of owners that are corporate officers is allowable for managerial, administrative, professional, and other services related to the operation of the ICFIID and rendered in connection with resident care. The compensation cost limit for an owner or relative of an owner who functions in a corporate position is based upon the civil service equivalents as listed below. In the case of an owner or relative of an owner who functions as proprietor or partner, one of the below-listed civil service equivalents will be applied based upon the duties performed:

(1) Corporate president

(a) Business administrator 3, classification 63317, for facilities with a combined bed total of one to ninety-nine;

(b) Business administrator 4, classification 63318, for facilities with a combined bed total of one



hundred to one hundred ninety-nine;

(c) Senior financial manager, classification 66587, for facilities with a combined bed total of two hundred to two hundred ninety-nine;

(d) Director 1, classification 61111, for facilities with a combined bed total of three hundred to five hundred ninety-nine;

(e) Director 2, classification 61112, for facilities with a combined bed total of six hundred to one thousand one hundred ninety-nine; or

(f) Director 3, classification 61113, for facilities with a combined bed total of one thousand two hundred or more.

(2) Corporate vice-president

(a) Program administrator 2, classification 63123, for facilities with a combined bed total of one to ninety-nine;

(b) Program administrator 3, classification 63124, for facilities with a combined bed total of one hundred to one hundred ninety-nine;

(c) Assistant director 1, classification 61211, for facilities with a combined bed total of two hundred to two hundred ninety-nine;

(d) Assistant director 2, classification 61212, for facilities with a combined bed total of three hundred to five hundred ninety-nine;

(e) Assistant director 3, classification 61213, for facilities with a combined bed total of six hundred to one thousand one hundred ninety-nine; or

(f) Assistant director 4, classification 61214, for facilities with a combined bed total of one thousand two hundred or more.



(3) Corporate treasurer

(a) Accountant/examiner 3, classification 66113, for facilities with a combined bed total of one to ninety-nine;

(b) Senior financial analyst, classification 66563, for facilities with a combined bed total of one hundred to one hundred ninety-nine;

(c) Financial analyst supervisor, classification 66566, for facilities with a combined bed total of two hundred to two hundred ninety-nine;

(d) Financial program manager, classification 66585, for facilities with a combined bed total of three hundred to five hundred ninety-nine;

(e) Financial manager, classification 66586, for facilities with a combined bed total of six hundred to one thousand one hundred ninety-nine; or

(f) Senior financial manager, classification 66587, for facilities with a combined bed total of one thousand two hundred or more.

(4) Board secretary/member

(a) Administrative professional 1, classification 16871, for facilities with a combined bed total of one to ninety-nine;

(b) Office professional supervisor, classification 12145, for facilities with a combined bed total of one hundred to one hundred ninety-nine;

(c) Administrative professional 4, classification 16874, for facilities with a combined bed total of two hundred to two hundred ninety-nine;

(d) Program administrator 2, classification 63123, for facilities with a combined bed total of three



hundred to five hundred ninety-nine;

(e) Board/commission secretary 1, classification 62111, for facilities with a combined bed total of six hundred to one thousand one hundred ninety-nine; or

(f) Board/commission secretary 2, classification 62112, for facilities with a combined bed total of one thousand two hundred or more.

(5) For those owners and relatives of owners who serve the ICFIID in the capacity of a corporate officer, proprietor, or partner as specified in paragraphs (C)(1) to (C)(4) of this rule, the formula for determining the compensation cost limits is as follows:

(a) The civil service equivalent hourly rate as published by the Ohio department of administrative services for those positions specified in paragraphs (C)(1) to (C)(4) of this rule will be multiplied by two thousand eighty hours to arrive at an annual salary screen for each step in the position. If the civil service equivalent hourly rate changes during the reporting period, the civil service equivalent hourly rate will be the hourly rate that is in effect at the end of the cost reporting period.

(b) The appropriate job step within those civil service classifications as specified in paragraphs (C)(1) to (C)(4) of this rule will be based upon the owner's years of service in the health care field plus one.

(D) Determining reasonable costs and disallowances

Reasonable costs for compensation and compensation disallowances for owners and relatives of owners are the ICFIID's desk-reviewed, actual, allowable costs reported on schedule C-2 of the cost report subject to the applicable compensation cost limits and audit by the department. For each owner or relative of an owner that has reported compensation on schedule C-2 of the cost report, the medicaid information system will perform the following steps.

(1) Calculate the "time slice" for each owner and relative of an owner, which is defined as either:

(a) When there is no overlap of an employment period for an owner or relative of an owner working in a related ICFIID and the functions have the same position number, the number of days employed;



or

(b) When there is an overlap of an employment period for an owner or relative of an owner working in a related ICFIID and the functions have the same position number:

(i) The number of days employed for the overlap of an employment period when the owner or relative of an owner is working in the related ICFIID during the same period of time; plus

(ii) The number of days employed preceding the overlapping employment period; plus

(iii) The number of days employed subsequent to the overlapping employment period.

(2) For each time slice of an owner or relative of an owner, calculate the following:

(a) Acquire the number of certified beds for the ICFIID as of the end of the cost reporting period from schedule A, line 2, column 1 of the cost report.

(b) Acquire the number of certified beds for related facilities that the owner or relative of an owner worked in during the time slice, as of the end of the cost reporting period.

(c) Calculate the total number of certified beds by adding the number of certified beds for the ICFIID as determined in accordance with paragraph (D)(2)(a) of this rule and the number of certified beds for any related facilities that the owner or relative of an owner worked in as determined in accordance with paragraph (D)(2)(a) of this rule.

(d) For an owner or relative of an owner who received compensation as a corporate officer, acquire the appropriate corporate duty job step as calculated in accordance with paragraph (C)(5)(b) of this rule.

(e) Determine the applicable compensation cost limit based on the position the owner or relative of an owner worked as follows:

(i) For an owner or relative of an owner who performs duties that are included on attachment 6 of



the cost report, acquire the appropriate compensation cost limit as calculated in accordance with paragraph (B)(2)(d) of this rule subject to the following criteria:

(a) Compensation is allowable only for duties performed by an owner or relative of an owner which otherwise would require the employment of another person; and

(b) In order to qualify as a supervisor for positions listed on attachment 6 of the cost report, a supervisor must supervise at least two persons in an ICFIID with fifty or more beds. In an ICFIID with fewer than fifty beds, a supervisor may supervise one person.

(ii) For an owner or relative of an owner who perform duties which otherwise would have required the employment of another person and received compensation as a corporate officer, acquire the appropriate compensation cost limit as calculated in accordance with paragraph (C)(5) of this rule.

(iii) For purposes of determining the compensation cost limits, an owner or relative of an owner is overtime exempt. There will be no upward adjustment to the applicable compensation cost limit to accommodate circumstances where such persons work in excess of forty hours per week.

(f) Calculate the total number of days employed for each owner or relative of an owner by subtracting the beginning date from the ending date for each time slice and adding one.

(g) Determine the total days in the calendar year.

(h) Calculate the per cent of days allowed by dividing the number of days in the time slice as calculated in accordance with paragraph (D)(2)(f) of this rule by the total days in the calendar year as determined in accordance with paragraph (D)(2)(g) of this rule.

(i) Calculate the time slice adjusted compensation cost limit by multiplying the per cent of days allowed as calculated in accordance with paragraph (D)(2)(h) of this rule by the adjusted compensation as calculated in accordance with paragraph (D)(2)(e) of this rule.

(j) Acquire the weekly hours in the time slice for the appropriate time period from schedule C-2 of the cost report.



(k) Acquire the related weekly hours in the time slice for the appropriate time period from the related ICFIID's schedule C-2 of the cost report.

(l) Calculate the total weekly hours in the time slice by adding the weekly hours in the time slice as determined in accordance with paragraph (D)(2)(j) of this rule and the related weekly hours in the time slice as determined in accordance with paragraph (D)(2)(k) of this rule.

(m) Calculate the maximum weekly hours:

(i) If the total weekly hours in the time slice as calculated in accordance with paragraph (D)(2)(l) of this rule is less than thirty-five hours per week then the maximum weekly hours in the time slice is forty; or

(ii) If the total weekly hours in the time slice as calculated in accordance with paragraph (D)(2)(l) of this rule is greater than or equal to thirty-five hours per week then the maximum weekly hours in the time slice is the total weekly hours in the time slice.

(n) Calculate the hours allocation percentage by dividing the weekly hours in the time slice as calculated in accordance with paragraph (D)(2)(j) of this rule by the maximum weekly hours as calculated in accordance with paragraph (D)(2)(m) of this rule.

(o) Calculate the final time slice adjusted compensation cost limit by multiplying the time slice adjusted compensation cost limit as calculated in accordance with paragraph (D)(2)(i) of this rule by the hours allocation percentage as calculated in accordance with paragraph (D)(2)(n) of this rule.

(p) Calculate a daily salary amount for each owner and relative of an owner by dividing the compensation amount by the number of days employed as reported on schedule C-2 of the cost report. For each time slice, calculate the prorated amount for each owner and relative of an owner by multiplying the daily salary amount for each owner and relative of an owner by the number of days in the time slice as calculated in accordance with paragraph (D)(2)(f) of this rule.

(q) Calculate the compensation disallowance for each owner and relative of an owner by subtracting



the final time slice adjusted compensation cost limit as calculated in accordance with paragraph (D)(2)(o) of this rule from the prorated amount for each owner and relative of an owner as calculated in accordance with paragraph (D)(2)(p) of this rule. The result cannot be less than zero.