

Rule Impact Statement Template
(Revised July 2025)

RIS includes all statutory requirements from 75 O.S. § 303 Version 1 and Version 2.

1. Provide a statement of the need for the rule and legal basis supporting it. (75 O.S. § 303 Version 2 D. 3. a.)

The rule change is needed for the public to view requirements for changes in agency ownership. O.S. 63-1-1964. states, "The State Commissioner of Health shall promulgate rules necessary to implement the provisions of the Home Care Act. Such rules shall include, but not be limited to:..." "3. Provisions for transfer of ownership of a licensed agency..." Additionally, O.S. 63-1-1965(B) states, "An application for initial license to establish or operate a new home care agency shall be accompanied by a nonrefundable application fee of up to Three Thousand Dollars (\$3,000.00) not to exceed the reasonable costs incurred by the Department in implementing the Home Care Act."

2. Provide a classification of the rule as major or nonmajor, with a justification for the classification, including an estimate of the total annual implementation and compliance costs that are reasonably expected to be incurred by or passed along to businesses, state or local government units, or individuals and a determination of whether those costs will exceed One Million Dollars (\$1,000,000) over the initial five-year period following the promulgation of the proposed rule. Provided, if the costs exceed One Million Dollars (\$1,000,000), the agency shall classify the rule as a major rule. (75 O.S. § 303 Version 2 D. 3. b.)

This is non-major. The number of CHOW applications processed in a calendar year is fluid. The program area processed 24 in calendar year 2024, 8 in calendar year 2025, and 41 as of September 2026. The licensure fee for the processed CHOW applications are under \$1 million in compliance cost. There is no additional cost to the agency other than employee time spent on processing the applications.

3. Provide a brief description of the purpose of the proposed rule. (75 O.S. § 303 Version 1 D. 2. a.)

The purpose of this rule change is provide clear requirements for transfer of ownership and to update the current address of OSDH (which changed when the agency was relocated in 2020). 63 O.S. 1-1964 states the Commissioner shall promulgate rules that include (3) Provisions for transfer of ownership of a licensed agency. The rule also includes the required application fees listed in 63 O.S 1-1965(B).

4. Provide a description of the purpose of the proposed rule, including a determination of whether the proposed rule is mandated by federal law, or as a requirement for participation in or implementation of a federally subsidized or assisted program, and whether the proposed rule exceeds the requirements of the applicable federal law. (75 O.S. § 303 Version 2 D. 3. c.)

O.S. 63-1-1964 states the Commissioner of Health shall promulgate rules necessary to implement the provisions of the Home care Act. Such rules shall included but not limited to...3. Provisions for transfer of ownership of a licensed agency. Additionally, O.S. 63-1-1965 (B) includes the required application fees. The rule change also aligns with federal mandates for CHOWs.

5. Provide a brief description of the classes of persons who most likely will be affected by the proposed rule, including classes that will bear the costs of the proposed rule, and any information on cost impacts received by the agency from any private or public entities. (75 O.S. § 303 Version 1 D. 2. b. and Version 2 D. 3. d.)

The home care agencies, owners, and personnel would be most affected by the rule change as the language would be immediately available to them in regulation. The licensure fee for a CHOW application is \$500, with an additional \$25.00 fee for each branch location. The average number of CHOW applications processed in a calendar year is fluid. The program area processed 24 in calendar year 2024, 8 in calendar year 2025, and 41 as of September 2026.

6. Provide a description of the classes of persons who will benefit from the proposed rule. (75 O.S. § 303 Version 1 D. 2. c. and Version 2 D. 3. e.)

The classes of persons most likely to benefit from the rule change would include internal and external stakeholders who would benefit from a uniform and transparent CHOW process. This would solidify the agency's (OSDH) mission for transparency.

7. Provide a comprehensive analysis of the rule's economic impact, including any anticipated impacts on the full-time-employee count of the agency, any costs or benefits, and a detailed quantification of implementation and compliance costs on the affected businesses, business sectors, public utility ratepayers, individuals, state or local government units, and on the state economy as a whole. The analysis should include a listing of all fee changes and, whenever possible, a separate justification for each fee change. (75 O.S. § 303 Version 2 D. 3. f.)

The licensure fee for a CHOW application is \$500.00. In calendar year 2025, the division processed a total of 8 CHOW applications for home care agencies for a total of \$4,000. So far in calendar year 2026, the division processed 41 CHOW applications for home care agencies for a total of \$20,500 received by the agency in licensure fees. If the home care agency has branch locations, there is an additional \$25.00 fee for each branch office operated by the agency. There is no way to determine how many CHOW applications will be received in a calendar or fiscal year. There is not a solid way to predict the number of branch offices that will be attached to CHOW applications as many branch offices are eliminated by the new owners.

8. Provide a detailed explanation of the methodology and assumptions used to determine the economic impact, including the dollar amounts calculated. (75 O.S. § 303 Version 2 D. 3. g.)

The economic impact is shown above in item number 7. It is based on the CHOW applications received in calendar year 2025 and (to date) 2026. Licensure fees collected for CHOW action was \$4,000 in calendar year 2025 for a total of eight CHOWs processed at \$500.00 each. Licensure fees collected for the CHOW action was \$20,500 (to date) for calendar year 2026 for a total of 41 CHOWs processed at \$500.00 each.

9. Provide a description of whether there is a probable economic impact for the proposed rule upon affected classes of persons or political subdivisions, require their cooperation in implementing or enforcing the rule. Include a listing of all fee changes and, whenever possible, a separate justification for each fee change. (75 O.S. § 303 part of Version 1 D. 2. d. and Version 2 D. 3. h.)

The collection of licensure fees go into the home care revolving fund from which salaries are paid. The following personnel types have time coded from fees collected through the home care revolving fund: Surveyors, Health Planning Specialists/Administrative Assistants, Program Managers, Complaints and Enforcement Personnel, Administrative Programs Officers, and IT and data support personnel. CHOW applications are the most difficult application to process and take longer to do so due to factors such as missing information. Failure to include ownership information and percentages of ownership, failure to provide affiliations, failure to provide organizational structure, and failure to provide bills of sales/executed sales document, and inaccurate percentages. The fees collected from CHOW applications helps to pay for the time and effort of processing the applications as well as the administrative time and IT/data support for the data bases and electronic filing systems where applications are held.

10. Describe the probable costs and benefits to the agency and to any other agency of the implementation and enforcement of the proposed rule, the source of revenue to be used for implementation and enforcement of the proposed rule, and any anticipated effect on state revenues, including a projected net loss or gain in such revenues if it can be projected by the agency. (75 O.S. § 303 Version 1 D. 2. e.)

Receipt of CHOW applications is a multi step process which includes many steps in review/processing before the license is printed and issued. HPS (Health Planning Specialist) time for initial inquiries, Q&A, receipt, review, written correspondence and multiple request for additional information total not less than HPS hourly rate of pay times 8 hours (\$184) prior to issuance plus manager review and consult 2 hours at \$49 an hour (\$98). After receipt of all missing information and collaborative documentation, HPS will spend another 2 hours (\$46) categorizing the packet and submitting to manager for signature. Manager final review of the packet and signature (\$49). The remaining \$123 would be an accumulation of licensure printer paper, toner for the copier, service request for tech support (computer/program problems, printing problems, data base problems and incidentals changed to the program area for support.

11. Provide a determination of whether implementation of the proposed rule will have an economic impact on any political subdivisions or require their cooperation in implementing or enforcing the rule. (75 O.S. § 303 Version 1 D. 2. f.)

There is no determination that the implementation of the proposed rule will have an economic impact on any political subdivision or require their cooperation in implementation. NOTE: a CHOW license creates a brand new facility while allowing no changes in the license number. The program area has received no complaints from the public or stakeholders regarding licensure fees for CHOW applications.

12. Provide a determination of whether implementation of the proposed rule may have an adverse economic effect on small business as provided by the Oklahoma Small Business Regulatory Flexibility Act. (75 O.S. § 303 Version 1 D. 2. g. and Version 2 D. 3. i.)

There is no anticipation of adverse economic effect on small business as provided by the Oklahoma Small Business Regulatory Flexibility Act.

13. Provide an explanation of the measures the agency has taken to minimize compliance costs and impact of the proposed rule on business and economic development in this state, local government units of this state, and individuals. (75 O.S. § 303 Version 1 D. 2. h. and Version 2 D. 3. j.)

The measures necessary to minimize compliance costs are no increases in FTE's and strict compliance with statutory language with no additional fees or resources provided by home care agencies.

14. Provide a determination of whether there are less costly or nonregulatory methods or less intrusive methods for achieving the purpose of the proposed rule. (75 O.S. § 303 Version 1 D. 2. h.)

There are no less costly or non-regulatory methods or less intrusive methods known for achieving the proposed rule.

15. Provide a determination of the effect of the proposed rule on the public health, safety, and environment and, if the proposed rule is designed to reduce significant risks to the public health, safety, and environment, an explanation of the nature of the risk and to what extent the proposed rule will reduce the risk. (75 O.S. § 303 Version 1 D. 2. i. and Version 2 D. 3. k.)

There is no determination of risks to public health, safety, or environment.

16. Provide a determination of any detrimental effect on public health, safety, and environment if the proposed rule is not implemented. (75 O.S. § 303 Version 1 D. 2. j. and Version 2 D. 3. l.)

There is no outright determination of detrimental effect on public health, safety, and environment if the rule is not implemented. However, a lack of change of ownership process would impact a home care agency's ability to bill Medicare, which would impact public health and safety.

17. Provide the date the rule impact statement was prepared and if modified, the date modified. (75 O.S. § 303 Version 1 D. 2. k. and Version 2 D. 3. m.)

The rule impact statement was prepared 08/25/2026 and modified 09/21/2026

18. Provide an analysis of alternatives to adopting the rule. (75 O.S. § 303 Version 1 D. 2. l.)

We have explored no alternative to implementing the rule.

19. Provide an estimation of the amount of time that would be spent by state employees to develop the rule and of the amount of other resources that would be utilized to develop the rule. (75 O.S. § 303 Version 1 D. 2. m.)

Following final adoption of the rule, OSDH anticipates it will spend 36-72 hours developing the rule.

20. Provide a summary and preliminary comparison of any existing or proposed federal regulations that are intended to address the activities to be regulated by the proposed rule. (75 O.S. § 303 Version 1 D. 2. n.)

Federal law for home health ownership changes (for Medicare certified providers) is governed by 42 CFR 423.892 and 42 CFR 422.550(b). This proposed rule change helps to ensure the OSDH rules align with federal rules for changes of ownership.