

**LEGAL NOTICE
STATE OF OHIO
OHIO DEPARTMENT OF MEDICAID**

Pursuant to section 1902(a)(13)(A) of the Social Security Act and 42 CFR 447.205, the director of the Ohio Department of Medicaid (department) gives notice of the department's intent to modify provisions relating to the reimbursement of nursing facilities participating in the Medicaid program.

These modifications are amendments to the Ohio Revised Code that will impact the way nursing facilities are reimbursed for services rendered to Medicaid recipients in state fiscal years 2020, 2021 and beyond.

The amendments are included in legislation considered by the Ohio House of Representatives and the Ohio Senate. Throughout the legislative process, there were multiple opportunities for public input. The department is initiating one final public input process with this notice.

CHANGE IN REIMBURSEMENT METHODOLOGY FOR NURSING FACILITY SERVICES

Changes to the way nursing facilities are reimbursed for services provided to Medicaid eligible recipients are included in amendments to the Ohio Revised Code. The specific changes include:

Change to Per Medicaid Day Quality Payment Rate

The Preferences for Everyday Living Inventory (PELI) quality indicator is being replaced with the resident and family satisfaction surveys conducted by the Ohio Department of Aging. The department is making this change to provide a more meaningful quality measure based on resident and family input. The hospice exceptions to the antipsychotic medication use quality indicator are being removed, and hospice now will be included in the antipsychotic medication use rate calculation. The department is making this change to facilitate a more accurate calculation of quality data. The quality payment rate when a facility undergoes a change of operator during a state fiscal year is being clarified to be the exiting operator's rate until the immediately following state fiscal year when the rate shall be the mean per Medicaid day quality payment rate for all nursing facilities regardless of when the change of operator occurred during the calendar year immediately preceding the state fiscal year. The department estimates that implementation of this change will have no impact on annual aggregate expenditures for nursing facility services in state fiscal year 2020.

New Quality Incentive Payment

A new quality incentive payment will be added to nursing facility rates beginning with the second half of state fiscal year 2020 to recognize nursing facilities that provide higher quality services. A nursing facility's quality incentive payment is to be based on the sum of the points assigned to the facility under the nursing facility five-star quality rating system for the following quality metrics:

1. The percentage of the nursing facility's long-stay residents at high risk for pressure ulcers who had pressure ulcers during the measurement period;
2. The percentage of the facility's long-stay residents who had a urinary tract infection during the measurement period;

3. The percentage of the facility's long-stay residents whose ability to move independently worsened during the measurement period;
4. The percentage of the facility's long-stay residents who had a catheter inserted and left in their bladder during the measurement period.

Unless CMS assigned the nursing facility the lowest percentile for the quality metric, the number of the facility's points for the quality metric will be divided by 20. If CMS assigned the nursing facility the lowest percentile for the quality metric, the facility's points for the quality metric will be reduced to zero. A nursing facility will not receive a quality incentive payment for a fiscal year, other than the second half of state fiscal year 2020, if its licensed occupancy percentage is less than 80% unless the nursing facility has a score of at least 15 points for meeting the quality metrics. If a nursing facility does not satisfy the licensed occupancy requirements, the nursing facility's score will be zero for a fiscal year and it will not receive a quality incentive payment for that fiscal year.

A nursing facility's per Medicaid day quality incentive payment rate for a fiscal year is determined as follows:

1. Determine the sum of the scores on the quality metrics for all nursing facilities;
2. Determine the average score by dividing the sum by the number of nursing facilities for which a score was determined;
3. Except for the second half of state fiscal year 2020, determine the sum of the total number of Medicaid days for the measurement period for all nursing facilities for which a score was determined and multiply the sum by the average score. For the second half of state fiscal year 2020, determine the sum of the total number of Medicaid days for the second half of calendar year 2018 for all nursing facilities for which a score was determined;
4. Determine the value per quality point by dividing the total amount to be spent on quality incentive payments for the fiscal year by the product determined under (3) above;
5. Multiply the value per quality point by the nursing facility's score on the quality metrics.

The maximum amount to be spent on quality incentive payments each state fiscal year shall be the following:

1. For the second half of state fiscal year 2020, the product of the amount that is 2.4% of the base rate on January 1, 2020 and the number of each nursing facility's Medicaid days for the second half of calendar year 2018;
2. For all of state fiscal year 2021 and beyond, the product of the amount that is 2.4% of each nursing facility's base rate on the first day of the fiscal year and the number of the nursing facility's Medicaid days for the measurement period.

The department estimates that implementation of this change will increase annual aggregate expenditures for nursing facility services in state fiscal year 2020 by approximately \$14.3 million.

Change in Payment for Low Resource Utilization Residents

The payment rate for low resource utilization nursing facility residents is being changed. The rate previously was \$91.70 per Medicaid day, with an additional \$23.30 per Medicaid day paid for a total of \$115.00 if the nursing facility cooperated with the ombudsman program in efforts to help the facility's low resource utilization residents receive the services most appropriate for their level of care needs. The payment will be a flat rate of \$115.00 per Medicaid day, as set by the Ohio

General Assembly, without any reduction for lack of cooperation with the ombudsman. The department estimates that implementation of this change will have no impact on annual aggregate expenditures for nursing facility services in state fiscal year 2020.

PUBLIC INPUT PROCESS

Any person may examine and obtain a copy of the changes, without charge, at the following locations:

- Ohio Department of Medicaid, 50 West Town Street, Suite 400, Columbus, Ohio 43215; or
- Any county department of job and family services; or
- On the internet at <http://www.registerofohio.state.oh.us> by searching Ohio Administrative Code rule 5160-3-58 and at <http://codes.ohio.gov/orc/5165> by searching Ohio Revised Code 5165.152, 5165.25 and 5165.26.

Written comments regarding these changes may be submitted by mail to the Ohio Department of Medicaid, attn.: Administrative Professional, Bureau of Long-Term Services and Supports, 50 West Town Street, Suite 400, Columbus, Ohio 43215-3414 and may be reviewed at the same location. Comments may also be provided by e-mail to the following address: bhcp@medicaid.ohio.gov. Comments must be submitted no later than December 19, 2019.