

**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 (ODM) gives final notice of ODM's intent to modify provisions relating to the reimbursement of nursing facilities participating in the Medicaid program.

An initial notice was issued in June 2025 to inform the public of proposed changes in reimbursement to nursing facilities for Medicaid services. This final notice reflects the result of the public and legislative processes.

**CHANGE IN REIMBURSEMENT METHODOLOGY FOR NURSING FACILITY SERVICES**

The following changes are intended to recognize changes in provider spending, assure stability in provider rates, balance state resources among competing demands, and continue to assure access to care.

**Case-Mix score grouper methodology and gradual implementation of the Patient-Driven Payment Model (PDPM)**

The amendments require the use of the PDPM when determining a case-mix value for a nursing facility, instead of the Resource Utilization Group (RUGS) model. The amendments make a facility's case mix score for the first half of FY 2026 either the score under the standard formula or the semi-annual score determined for the semi-annual period beginning on July 1, 2025. The amendments specify that the direct care rate will be adjusted by one third on January 1, 2026, and by two thirds at the beginning of FY 2027, before being determined by its case mix scores set in statute going forward.

**Nursing facility quality incentive payment**

The amendments eliminate provisions of law that specify that if a nursing facility undergoes a change of owner (CHOW) the facility is ineligible to receive a Medicaid quality incentive payment until at least six months after the effective date of the CHOW, if within one year after the CHOW, there is an increase in the lease payments or other financial obligations of the operator to the owner.

**Nursing facility direct care costs and case-mix scores**

The amendments provide for calculating a nursing facility's rate for direct care costs for the second half of FY 2026, by adding a multiplier to each facility's cost per case mix score, until ODM's next rebasing takes effect.

If, as an interested party, you need further information regarding the rates for a specific nursing facility under these methodologies, you may contact NF Rate Setting at 50 West Town Street, Columbus, Ohio or at [NFRatesetting@medicaid.ohio.gov](mailto:NFRatesetting@medicaid.ohio.gov).

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