

SECTION 309.30.25. FISCAL YEAR 2011 MEDICAID REIMBURSEMENT SYSTEM FOR NURSING FACILITIES

- (A) Except as provided in division (A)(1)(f) of this section, the provider of a nursing facility that has a valid Medicaid provider agreement shall be paid the rate determined as follows:
- (1) For nursing facility services the nursing facility provides during fiscal year 2011, determine the rate for the nursing facility under sections 5111.20 to 5111.33 of the Revised Code with the following adjustments:
- (a) The cost per case mix-unit calculated under section 5111.231 of the Revised Code, the rate for ancillary and support costs calculated under section 5111.24 of the Revised Code, the rate for tax costs calculated under section 5111.242 of the Revised Code, and the rate for capital costs calculated under section 5111.25 of the Revised Code shall each be adjusted as follows:
 - (i) Increase the rate determined under division (A)(1)(a) of this section by two per cent;
 - (ii) Increase the rate determined under division (A)(1)(a)(i) of this section by two per cent;
 - (iii) Increase the rate determined under division (A)(1)(a)(ii) of this section by one per cent;
 - (iv) Increase the rate determined under division (A)(1)(a)(iii) of this section by the quality incentive payment calculated under section 5111.244 of the Revised Code. The quality incentive payment shall be established for each provider so that the mean payment is equal to three dollars and three cents.
 - (b) Except as provided in division (A)(1)(e) of this section, if the rate determined for a nursing facility under division (A) of this section for nursing facility services provided during fiscal year 2011 is more than one hundred two and twenty-five hundredths per cent of the nursing

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facility's rate on June 30, 2010, the Department of Job and Family Services shall reduce the nursing facility's rate determined under division (A) of this section for fiscal year 2011 so that the rate is not more than one hundred two and twenty-five hundredths per cent of the nursing facility's rate on June 30, 2010. Except as provided in division (A)(1)(e) of this section, if the rate determined for a nursing facility under division (A) of this section for nursing facility services provided during fiscal year 2011 is less than ninety-nine per cent of the nursing facility's rate on June 30, 2010, the Department shall increase the nursing facility's rate determined under division (A) of this section for fiscal year 2011 so that the rate is not less than ninety-nine per cent of the nursing facility's rate on June 30, 2010.

- (c) After the adjustments under division (A) of this section are made to a nursing facility's fiscal year 2011 rate, the Department of Job and Family Services shall increase the nursing facility's fiscal year 2011 rate by five dollars and seventy cents per Medicaid day. This increase shall be known as the workforce development incentive payment. The total amount of workforce development incentive payments paid to providers of nursing facilities shall be used to improve nursing facilities' employee retention and direct care staffing levels, including by increasing wages paid to nursing facilities' direct care staff. Not later than September 30, 2012, the Department shall submit a report to the Governor and, in accordance with section 101.68 of the Revised Code, the General Assembly detailing the impact that the workforce development incentive payments have on nursing facilities' employee retention, direct care staffing levels, and direct care staff wages.
- (d) After the adjustment under division (A)(1)(c) of this section is made to a nursing facility's fiscal year 2011 rate, the Department of Job and Family Services shall increase the nursing facility's fiscal year 2011 rate by the consolidated services rate per Medicaid day. The consolidated services rate shall be three dollars and ninety-one cents.
- (e) After the adjustments under division (A) of this section are made to a nursing facility's fiscal year 2011 rate, the Department of Job and Family Services shall increase the nursing facility's fiscal year 2011 rate by the

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amount of real estate taxes reported on the nursing facility's cost report for calendar year 2004 divided by the number of inpatient days reported on that cost report if the nursing facility had a credit reducing its real estate taxes reflected on its cost report for calendar year 2003 to zero. When the rate is paid for Medicaid days, the payment is only for the Medicaid portion of the tax expense.

- (f) If the fiscal year 2010 rate for a nursing facility as initially determined under section 309.30.20.000 is not subject to an adjustment under division (A)(1)(b) of that section, the nursing facility's fiscal year 2011 rate as initially determined under division (A) of this section shall not be subject to an adjustment under division (A)(1)(b) of this section regardless of whether the nursing facility's fiscal year 2011 rate as initially determined under division (A) of this section would, if not for this division, be subject to the adjustment. If the fiscal year 2011 rate for a nursing facility as initially determined under division (A) of this section is not subject to an adjustment under division (A)(1)(b) of this section, the nursing facility's rate shall not be subject to an adjustment under that division for the remainder of fiscal year 2011 regardless of any other adjustment made to the nursing facility's fiscal year 2011 rate under sections 5111.20 to 5111.33 of the Revised Code.
- (2) For services provided after June 30, 2011, nursing facilities shall continue to be paid the nursing facility's rate for June 30, 2011. If a participating nursing facility does not have a rate paid on June 30, 2011, the nursing facility shall be paid pursuant to Sections 5111.254.000, 5111.254.001, 5111.676.000, and 5111.676.001.
- (B) The Department of Job and Family Services shall follow this section in determining the rate to be paid to the provider of a nursing facility that has a valid Medicaid provider agreement on June 30, 2010, and a valid Medicaid provider agreement for fiscal year 2011 notwithstanding anything to the contrary in sections 5111.20 to 5111.33 of the Revised Code.

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ICF-MR Supplement 2
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"SUNSHINE/KING ROAD FAMILY CARE HOME is an ICF-MR outlier provider on the Medicaid program. SUNSHINE/KING ROAD FAMILY CARE HOME receives a per diem rate of \$442.93 per resident per day for each Medicaid resident in lieu of the calculated rate set forth under ICF-MR Supplement 2."

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OS Notification

State/Title/Plan Number: Ohio 10-001
Type of Action: SPA Approval
Required Date for State Notification: February 1, 2012
Fiscal Impact:

FY 2010	\$ 345,676
FY 2011	\$ 1,004,988

Number of Services Provided by Enhanced Coverage, Benefits or Retained Enrollment: 0

Number of Potential Newly Eligible People: 0

Eligibility Simplification: No

Provider Payment Increase: Yes

Delivery System Innovation: No

Number of People Losing Medicaid Eligibility: No

Reduces Benefits: No

Detail: Effective July 1, 2010, this amendment provides an additional amount for real estate taxes for those NFs that had a credit reducing their real estate taxes reflected on the base year cost report to zero. Additionally, this amendment decreases the per diem rate for the State's outlier ICF/MR. The State met public process requirements. Funding the non-Federal share of these payments comes from State appropriations and provider tax. There are no issues with the UPL.

Despite the rate reduction for the State's one outlier ICF/MR, the State feels Medicaid recipients will still have adequate access to care and services. The rate for the outlier facility is based on actual costs and is negotiated directly with the provider on an annual basis. Any concerns the provider may have are addressed during the annual negotiation. The State's response is acceptable.

Ohio pays NFs a per diem rate that includes Direct Care Costs, Ancillary & Support Costs, Tax Costs, Franchise Permit Fees, and Capital Costs. Adjustments are applied as well as a rate ceiling and floor that depends on the previous year's rate. This amendment proposes an increase to the NF rate for FY 2011 equal to the amount of real estate taxes reported on the NF's cost report for calendar year 2004 divided by the number of inpatient days reported on that cost report if the NF had a credit reducing its real estate taxes reflected on its cost report for calendar year 2003 to zero. 2003 was a rebasing year for the NF rate. Since the NF rate is a per diem rate that is applied to Medicaid days, this add-on should only be for Medicaid's portion of the tax.

The State plan also provides for a per diem rate to be paid to the State's lone outlier ICF/MR, Sunshine/King Road Family Care Home. This amendment proposes to decrease that per diem rate from the current amount of \$470.03 to \$442.93 per resident per day for each Medicaid resident.

Other Considerations:

This plan amendment has not generated significant outside interest and we do not recommend the Secretary contact the governor.

Recovery Act Impact:

The Regional office has reviewed this state plan amendment in conjunction with the Recovery Act and, based on the available information provided by the State regarding 1) MOE; 2) local match; 3) prompt pay; 4) rainy day funds, and 5) eligible expenditures, the Regional Office believes that the State is not in violation of the Recovery Act requirements noted above.

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