

Table of Contents

State/Territory Name: OH

State Plan Amendment (SPA) #: 16-009

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form (with 179-like data)
- 3) Approved SPA Pages



OCT 28 2016

John McCarthy, Medicaid Director
Office of Ohio Health Plans
Ohio Department of Medicaid
P.O. Box 182709
50 West Town Street, Suite 400
Columbus, Ohio 43218

RE: Ohio State Plan Amendment (SPA) 16-009

Dear Mr. McCarthy:

We have reviewed the proposed amendment to Attachment 4.19-D of your Medicaid State plan submitted under transmittal number (TN) 16-009. Effective 1/1/16, the Ohio Department of Medicaid (ODM) will implement a rate reduction for low acuity residents in NF's. Currently Medicaid pays a flat rate of \$138 per day for the lowest acuity (as measured using MDS data and the RUGS III grouper) residents in nursing facilities. ODM is proposing a reduction in that rate to \$91.70 per day in order to better align payment for services across delivery systems.

The state is proposing this reduction to align payment for services across the Long Term Care (LTC) Services and Supports continuum. Outside of the rate reduction, the State seeks to rebalance the Ohio LTC system by relocating low resource utilization nursing facility (NF) residents who have community living potential back into the community. The State arrived at \$91.70 as the best rate to achieve this by performing a comparative analysis of payments for Medicaid services provided to NF residents with payments for Medicaid services provided to former NF residents who have successfully transitioned to the community.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30), and 1903(a) of the Social Security Act and the regulations at 42 CFR 447 Subpart C. We hereby inform you that Medicaid State plan amendment 16-009 is approved effective January 1, 2016. We are enclosing the HCFA-179 and the amended plan pages.

If you have any questions, please contact Fred Sebree at (217) 492-4122 or Fredrick.sebree@cms.hhs.gov.

Sincerely,

A black rectangular redaction box covers the signature of Kristin Fan.

Kristin Fan
Director

Enclosure

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL	1. TRANSMITTAL NUMBER: 16-009 Revised	2. STATE OHIO
	3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
FOR: CENTERS FOR MEDICARE AND MEDICAID SERVICES	4. PROPOSED EFFECTIVE DATE January 1, 2016	
TO: REGIONAL ADMINISTRATOR CENTERS FOR MEDICARE & MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES		

5. TYPE OF PLAN MATERIAL (Check One):

NEW STATE PLAN AMENDMENT TO BE CONSIDERED AS NEW PLAN **AMENDMENT**

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION: Section 1902(a)(13)(A) of the Social Security Act Section 1902(a)(30)(A) of the Social Security Act 42 C.F.R. Part 447.205	7. FEDERAL BUDGET IMPACT: a. FFY 2016 (\$10,400) thousands b. FFY 2017 (\$42,000) thousands
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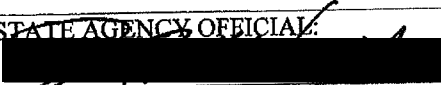
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: <u>Attachment 4.19-D – Supplement 1:</u> Section 001.24, page 1 of 2 Section 001.24, page 2 of 2 New Section 001.25, page 1 of 1 Section 001.26, page 1 of 1 New	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): <u>Attachment 4.19D – Supplement 1:</u> Section 001.24, page 1 of 1 (TN 11-022) Section 001.25, page 1 of 1 (TN 14-023)
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10. SUBJECT OF AMENDMENT: Payment for services: Nursing Facility services - Low Resource Utilization Residents

11. GOVERNOR'S REVIEW (Check One):

GOVERNOR'S OFFICE REPORTED NO COMMENT
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

OTHER, AS SPECIFIED:
The State Medicaid Director is the Governor's designee

12. SIGNATURE OF STATE AGENCY OFFICIAL: 	16. RETURN TO: Carolyn Humphrey Ohio Department of Medicaid P.O. BOX 182709 Columbus, Ohio 43218
13. TYPED NAME: John B. McCarthy	
14. TITLE: STATE MEDICAID DIRECTOR	
15. DATE SUBMITTED: March 31, 2016	

FOR REGIONAL OFFICE USE ONLY	
17. DATE RECEIVED:	18. DATE APPROVED: OCT 28 2016
PLAN APPROVED – ONE COPY ATTACHED	
19. EFFECTIVE DATE OF APPROVED MATERIAL: JAN 01 2016	20. SIGNATURE OF REGIONAL OFFICIAL: 
21. TYPED NAME: Kristin Fan	22. TITLE: Director, FM Co
23. REMARKS:	

Low Resource Utilization Residents

The per diem rate for nursing facility services provided to low resource utilization residents shall be a flat rate instead of the facility-specific total per diem rate. Low resource utilization residents are those residents who are assigned to the PA1 and PA2 resource utilization groups, which are assigned the two lowest relative resource weights possible: 1.0000 and 1.1111.

Beginning in state fiscal year 2017, payment for low resource utilization residents shall be as follows:

- 1) \$91.70 per Medicaid day. \$91.70 per Medicaid day is established using the following methodology:
 - a) Using Minimum Data Set version 3.0 (MDS 3.0) data and data from the Medicaid Information Technology System (MITS), determine which nursing facility residents in Ohio were assigned to the PA1 or PA2 resource utilization groups who successfully transitioned from a nursing facility into the community and received Medicaid services for the entire state fiscal year 2014.
 - b) Using claims data from MITS, determine Medicaid costs for state fiscal year 2014 incurred by each individual in a) above. Claims data includes costs for the following:
 - i) State plan home health services. Services include those provided by a physical therapist, occupational therapist, speech/language pathologist, registered nurse, and nurse aide.
 - ii) Waiver services. Services include home delivered meals, homemaker services, chore services, personal care services, emergency response systems, minor home modifications, transportation, and home medical equipment and supplies.
 - iii) Mental health and addiction services. Services include diagnostic psychological evaluations, pharmacologic management, alcohol and/or drug assessments, screenings, and services, mental health assessments, and partial hospitalizations.
 - iv) Durable medical equipment. Services and items include occupational therapy re-evaluations, infusion supplies, waterproof tape, non-sterile gloves, gauze, walkers, toilet rails, seats, stools, and benches, hospital beds, power operated vehicles, and disposable briefs and underpads.
 - c) Calculate the average of the costs determined in b) above. This represents the average per diem direct care costs for individuals who receive Medicaid services in the community, or \$7.32.
 - d) Calculate the statewide average of ancillary and support prices for all Ohio nursing facilities in state fiscal year 2014. This equals the ancillary and support cost component of the low resource utilization per diem rate, or \$55.54.
 - e) Calculate the statewide average of capital prices for all Ohio nursing facilities in state fiscal year 2014. This equals the capital cost component of the low resource utilization per diem rate, or \$11.29.

TN 16-009
Supersedes

Approval Date **OCT 28 2016**

TN 11-022

Effective Date 01/01/2016

- f) Calculate the statewide average of tax prices for all Ohio nursing facilities in state fiscal year 2014. This equals the tax rate component of the low resource utilization per diem rate, or \$1.11.
 - g) Calculate the statewide average of the quality incentive price for all Ohio nursing facilities in state fiscal year 2014. This equals the quality incentive payment portion of the low resource utilization per diem rate, or \$16.44.
 - h) The low resource utilization total per diem rate of \$91.70 equals the sum of the amounts calculated in c), d), e), f), and g) above.
- 2) An additional \$23.30 per Medicaid day shall be paid for a total of \$115.00 per Medicaid day if the nursing facility cooperates with the ombudsman program in efforts to help the facility's low resource utilization residents receive the services that are most appropriate for their level of care needs.

Medicaid Maximum Allowable Reimbursement Rate

(For Medicare Part A cost-sharing provisions, see Appendix to Item 3 of Supplement 1 to Attachment 4.19-B, page 1 of 1)

The Medicaid maximum allowable reimbursement rate is 109% of the nursing facility's Medicaid per diem. Effective January 1, 2012 and thereafter, the Medicaid maximum allowable reimbursement is 100% of the nursing facility's Medicaid per diem.

TN 16-009 Approval Date OCT 28 2016
Supersedes
TN 14-023 Effective Date 01/01/2016

Cost Sharing Other than Medicare Part A

The nursing facility per diem rate includes Medicaid payments for Medicare or other third-party insurance cost-sharing, including coinsurance or deductible payments, associated with services that are included in the nursing facility per diem.

Neither the nursing facility resident nor the Ohio Department of Medicaid is responsible for any Medicare or other third-party insurance cost-sharing, including coinsurance or deductibles, associated with services that are included in the nursing facility per diem.