

## **Table of Contents**

**State/Territory Name: Ohio**

**Technical Correction to State Plan Amendment (SPA) #: 17-019**

This file contains the following documents in the order listed:

- 1) Technical Correction Letter
- 2) Corrected Approved SPA Pages
- 3) Original Approval Package

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
233 N. Michigan Avenue, Suite 600  
Chicago, Illinois 60601-5519



## **Regional Operations Group**

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February 20, 2019

Maureen Corcoran, Director  
Ohio Department of Medicaid  
P.O. Box 182709  
50 West Town Street, Suite 400  
Columbus, Ohio 43218

RE: Technical Correction to Ohio State Plan Amendment (SPA) TN 17-019

Dear Ms. Corcoran:

This is a technical correction to Ohio SPA 17-019 which was approved on August 14, 2017. The original SPA approval package contained an incorrect version of Supplement 4 to Attachment 3.1-A, Page 5 of 7. We are making this correction to remedy that error by exchanging the incorrect page for the page that CMS actually approved.

If you have any questions, please contact Christine Davidson, of my staff, at (312) 886-3642 or [christine.davidson@cms.hhs.gov](mailto:christine.davidson@cms.hhs.gov) if you have any questions.

Sincerely,

/s/

Ruth A. Hughes  
Deputy Director  
Division of Medicaid Field Operations North

Enclosure

cc: Carolyn Humphrey, ODM  
Greg Niehoff, ODM  
Rebecca Jackson, ODM

community spouse’s allowance, a family allowance, and an amount for incurred expenses for medical or remedial care, as specified in the State Medicaid plan.

(a.) Allowances for the needs of the:

1. Individual (check one)

(A). \_\_\_ The following standard included under the State plan (check one):

- 1. \_\_\_ SSI
- 2. \_\_\_ Medically Needy
- 3. \_\_\_ The special income level for the institutionalized
- 4. \_\_\_ Percent of the Federal Poverty Level: \_\_\_%
- 5. \_\_\_ Other (specify): \_\_\_\_\_

(B). \_\_\_ The following dollar amount: \$\_\_\_\_\_ Note: If this amount changes, this item will be revised.

(C). X The following formula is used to determine the needs allowance:

Living in the community=65% of 300% of SSI payment standard

If this amount is different than the amount used for the individual’s maintenance allowance under 42 CFR 435.726 or 42 CFR 435.735, explain why you believe that this amount is reasonable to meet the individual’s maintenance needs in the community:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

II. Rates and Payments

A. The State assures CMS that the capitated rates will be equal to or less than the cost to the agency of providing those same fee-for-service State plan approved services on a fee-for-service basis, to an equivalent non-enrolled population group based upon the following methodology. Please attach a description of the negotiated rate setting methodology and how the State will ensure that rates are less than the cost in fee-for-service.

- 1. \_\_\_ Rates are set at a percent of fee-for-service costs
- 2. \_\_\_ Experience-based (contractors/State’s cost experience or encounter date)(please describe)
- 3. \_\_\_ Adjusted Community Rate (please describe)
- 4. X Other (please describe): The capitation rates were developed from base fee-for-service (FFS) data and adjustments underlying the PACE amount that would otherwise have been paid (AWOP). The PACE capitation rate development includes further adjustments to reflect the estimated distribution of nursing facility versus home and community-based service (HCBS) utilization and reduces the non-long-term services and supports component of the rate to reflect the expected impact of care management on services.

The resulting capitated rates are below the calculated AWOP, as required by the Centers for Medicare and Medicaid Services (CMS).

The AWOP amount was developed using historical FFS data for individuals age 55 and over who reside in Cuyahoga County and meet the nursing facility level of care eligibility. The base FFS data was adjusted to reflect estimated utilization and unit costs differences between the base experience periods and the contract period. The base FFS data was stratified into four groups and then categorized into two cohorts: (1) HCBS Waiver cohort (Dual Eligible and Medicaid-Only enrolled in eligible HCBS) and (2) Nursing Facility population cohort (Dual Eligible and Medicaid only nursing facility residents). The projected costs for the cohorts were combined to develop the separate Dual Eligible and Medicaid Only AWOP estimates.

The capitation rate calculation began with the separate projected costs gross of patient liability for the four data groups. Because nursing facility utilization is expected to be lower for PACE program enrollees than for the composite PACE eligible population, the PACE capitation rates were developed assuming a PACE specific mix of the HCBS Waiver cohort costs and the Nursing Facility population cohort costs. Additionally, composite utilization of non-long-term services and supports was reduced to reflect the expected impact of care management on services.

The final capitation rates remain gross of patient liability based on the assumption that liability amounts will be determined on an enrollee-specific basis and be independently netted against the capitation rates.

- B. The State Medicaid Agency assures that the rates were set in a reasonable and predictable manner. Please list the name, organizational affiliation of any actuary used, and attestation/description for the initial capitation rates.  
The Ohio Department of Medicaid (ODM) retained the services of an actuary (Milliman, Inc.) to assist with the development of the Program for All Inclusive Care (PACE) Medicaid capitation rates as well as the amount that would otherwise have been paid (AWOP) if individuals were not enrolled in PACE. All Milliman actuaries are members of the American Academy of Actuaries.
- Medicaid rates are developed using actuarially sound methodologies. The development of the rate methodology is compliant with both the Medicaid capitation rate requirements set forth in 42 CFR 460.182 and with the December 2015 PACE Medicaid Capitation Rate Setting Guide.
- C. The State will submit all capitated rates to the CMS Regional Office for prior approval. The State submitted the capitated rates to the CMS Regional Office on 3/1/2017 for prior approval, and they were approved on 3/21/17.

### III. Enrollment and Disenrollment

The State assures that there is a process in place to provide for dissemination of enrollment and disenrollment data between the State Medicaid Agency and the State Administering Agency. The State assures that it has developed and will implement procedures for the enrollment and disenrollment of participants in the State's management information system.

The State Administering Agency tracks all Medicaid-eligible enrollments and disenrollments in the State Medicaid Agency's integrated eligibility system, Ohio Benefits. Participant-specific enrollment and disenrollment information is transferred from Ohio Benefits to the State Medicaid Agency's claims payment system, Medicaid Information Technology System (MITS).

Medicare-only and private-pay-only PACE enrollments and disenrollment are tracked only in the State Administering Agency's internal data system,

On a monthly basis, the State Administering Agency makes a prospective payment to the PACE organization. The State Administering Agency also disseminates a list of PACE participants for which the PACE organization received payment during the month. Adjustments are made in the following month to account for participants who were disenrolled from the PACE program prior to the effective date of the payment.

## **Table of Contents**

**State/Territory Name: Ohio**

**State Plan Amendment (SPA) #: 17-019**

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

Department of Health & Human Services  
Centers for Medicare & Medicaid Services  
233 North Michigan Avenue, Suite 600  
Chicago, Illinois 60601-5519



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August 14, 2017

Barbara R. Sears, Director  
Ohio Department of Medicaid  
P.O. Box 182709  
50 West Town Street, Suite 400  
Columbus, Ohio 43218

RE: State Plan Amendment Transmittal Number 17-019

Dear Ms. Sears:

Enclosed for your records is an approved copy of the following State Plan Amendment:

Transmittal #17-019 - Payment for Services: Program for All-Inclusive Care  
for the Elderly (PACE)  
- Effective Date: July 1, 2017  
- Approval Date: August 14, 2017

If you have any questions regarding this State Plan Amendment, please have a member of your staff contact Christine Davidson at (312) 886-3642 or by email at [christine.davidson@cms.hhs.gov](mailto:christine.davidson@cms.hhs.gov).


Sincerely,

/s/

Ruth A. Hughes  
Associate Regional Administrator  
Division of Medicaid and Children's Health Operations

Enclosure

cc: Sarah Curtin, ODM  
Carolyn Humphrey, ODM  
Becky Jackson, ODM  
Greg Niehoff, ODM

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b>	1. TRANSMITTAL NUMBER: <b>17-019 Revised</b>	2. STATE <b>OHIO</b>
FOR: CENTERS FOR MEDICARE AND MEDICAID SERVICES	3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR CENTERS FOR MEDICARE & MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES	4. PROPOSED EFFECTIVE DATE <b>July 1, 2017</b>	
5. TYPE OF PLAN MATERIAL <i>(Check One)</i> :		
<input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" type="checkbox"/> <b>AMENDMENT</b> COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT <i>(Separate Transmittal for each amendment)</i>		
6. FEDERAL STATUTE/REGULATION CITATION: Section 1894(d)(1) of the Social Security Act 42 CFR Part 460	7. FEDERAL BUDGET IMPACT: a. FFY 2017 \$ 489 thousands b. FFY 2018 \$2,095 thousands	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:  Supplement 4 to Attachment 3.1-A Pages 5, 6, and 7	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT <i>(If Applicable)</i> :  Supplement 4 of Attachment 3.1-A pages 5, 6, and 7 (TN 02-011)	
10. SUBJECT OF AMENDMENT: Payment for Services: Program of All-inclusive Care for the Elderly (PACE): Updated Rate-Setting Methodology and Enrollment/Disenrollment Processes		
11. GOVERNOR'S REVIEW <i>(Check One)</i> :		
<input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL		<input checked="" type="checkbox"/> <b>OTHER, AS SPECIFIED:</b> The State Medicaid Director is the Governor's designee
12. SIGNATURE OF STATE AGENCY OFFICIAL: 	16. RETURN TO:	
13. TYPED NAME: <b>BARBARA R. SEARS</b>	<b>Carolyn Humphrey</b> <b>Ohio Department of Medicaid</b> <b>P.O. BOX 182709</b> <b>Columbus, Ohio 43218</b>	
14. TITLE: <b>STATE MEDICAID DIRECTOR</b>		
15. DATE SUBMITTED: June 19, 2017		
<b>FOR REGIONAL OFFICE USE ONLY</b>		
17. DATE RECEIVED: June 19, 2017	18. DATE APPROVED: August 14, 2017	
<b>PLAN APPROVED – ONE COPY ATTACHED</b>		
19. EFFECTIVE DATE OF APPROVED MATERIAL: July 1, 2017	20. SIGNATURE OF REGIONAL OFFICIAL:  /s/	
21. TYPED NAME: Ruth A. Hughes	22. TITLE: Associate Regional Administrator	
23. REMARKS:		

**Instructions on Back**



community spouse’s allowance, a family allowance, and an amount for incurred expenses for medical or remedial care, as specified in the State Medicaid plan.

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