

Table of Contents

State/Territory Name: OH

State Plan Amendment (SPA) #: 17-036

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

NOV 20 2017

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

RE: Ohio State Plan Amendment (SPA) 17-036

Dear Ms. Sears:

We have reviewed the proposed amendment to Attachment 4.19-D of your Medicaid State plan submitted under transmittal number (TN) 17-036. Effective July 1, 2017, this State Plan Amendment sets rates for ICF/IID services for FY 2018.

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 17-036 is approved effective July 1, 2017. 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,



Kristin Fan
Director

Enclosure

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL		1. TRANSMITTAL NUMBER: 17-036	2. STATE OHIO
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 July 01, 2017	
5. TYPE OF PLAN MATERIAL (Check One):			
<input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" type="checkbox"/> AMENDMENT			
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)			
6. FEDERAL STATUTE/REGULATION CITATION: 42 CFR 440.150 42 CFR 447 Subpart C 42 CFR 483 Subpart I		7. FEDERAL BUDGET IMPACT: a. FFY 2017 \$ 0 b. FFY 2018 \$ 0	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-D, Suppl.2, pp 6, 8, 8a, 13, 19		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Attachment 4.19-D, Suppl.2, pp 6, 8, 8a, 13, 19 (TN 16-024)	
10. SUBJECT OF AMENDMENT: Payment for services: State Fiscal Year (SFY) 2018 Rate setting for ICF/IID services			

11. GOVERNOR'S REVIEW (Check One):		<input checked="" type="checkbox"/> OTHER, AS SPECIFIED: The State Medicaid Director is the Governor's designee
<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		
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: Barbara R. Sears		
14. TITLE: STATE MEDICAID DIRECTOR		
15. DATE SUBMITTED: September 28, 2017		
FOR REGIONAL OFFICE USE ONLY		

FOR REGIONAL OFFICE USE ONLY	
17. DATE RECEIVED:	18. DATE APPROVED: NOV 20 2017
PLAN APPROVED - ONE COPY ATTACHED	
19. EFFECTIVE DATE OF APPROVED MATERIAL: JUL 01 2017	20. SIGNATURE OF REGIONAL OFFICIAL:
21. TYPED NAME: Tristin Fan	22. TITLE: Director, FMCO
23. REMARKS:	

Calculation of Direct Care Per Diem for Peer Groups 1, 2, and 3

A direct care per diem rate is established for each intermediate care facility for individuals with intellectual disabilities except for those in Resident Assessment Classification groups 5N and 6N using allowable direct care costs as reported by each facility in accordance with the following calculation:

- 1) Calculate the direct care cost per diem for each provider by dividing the allowable direct care costs by the inpatient days reported on the same cost report.
- 2) Calculate the direct care cost per case mix unit for each provider by dividing the provider's direct care costs per diem by the annual average case mix score for the provider. The annual average case mix score is the average of the provider's scores for the March 31, June 30, September 30, and December 31 reporting period end dates for the calendar year corresponding to the calendar year for which costs are reported.
- 3) Determine the maximum cost per case mix unit for each peer group:
 - a. The maximum cost per case mix unit for Peer Group 1 is \$110.78.
 - b. The maximum cost per case mix unit for Peer Group 2 is \$115.99.
 - c. The maximum cost per case mix unit for Peer Group 3 is equal to the cost per case mix unit of the provider at the 95th percentile of all providers in Peer Group 3 for the calendar year preceding the fiscal year in which the rate will be paid.
- 4) The allowable cost per case mix unit is the lesser of the facility cost per case mix unit or the maximum cost per case mix unit for the peer group.
- 5) Multiply the allowable cost per case mix unit by the annual average case mix score for the provider and then multiply the product by an inflation factor to determine the direct care per diem for the facility.
 - a. For Peer Group 1 and 2 the inflation factor is 1.0140.
 - b. For Peer Group 3 the inflation factor is 1.0323.

Calculation of Indirect Care Per Diem for Peer Groups 1, 2, and 3

An indirect care per diem rate is established for each intermediate care facility for individuals with intellectual disabilities except for those in Resident Assessment Classification groups 5N and 6N using allowable indirect care costs as reported by each facility in accordance with the following calculation:

- 1) Divide the allowable indirect care costs by the greater of the inpatient days reported on the same cost report or imputed occupancy.
 - a. Imputed Occupancy is 85% of the total number of bed days available based on the number of certified beds for the facility
- 2) Multiply the result above by an inflation factor to determine the inflated indirect care costs per diem.
 - a. For Peer Groups 1 and 2 the inflation factor is 1.0140.
 - b. For Peer Group 3 the inflation factor is 1.0211.
- 3) Determine the maximum inflated indirect care cost per diem for each peer group:
 - a. The maximum inflated indirect care cost per diem for Peer Group 1 and Peer Group 2 shall be calculated as follows:
 - (i) Have the amount so determined result in payment of all desk-reviewed, actual, allowable indirect care costs for the same percentage of Medicaid days for ICF's/IID in peer group 1 as for ICF's/IID in peer group 2 as of July 1, 2017, based on May 2017 Medicaid days.
 - (ii) Avoid rate adjustments under paragraph 1) of page 19 of Attachment 4.19-D, Supplement 2.
 - b. The maximum inflated indirect care cost per diem for Peer Group 3 shall be the rate that is no less than ten and three-tenths per cent above the median desk-reviewed, actual, allowable, per diem inflated indirect care cost for all providers in Peer Group 3 (excluding providers whose inflated indirect care costs are more than three standard deviations from the mean desk-reviewed, actual, allowable, per diem inflated indirect care cost for all providers in peer group 3) for the calendar year immediately preceding the fiscal year in which the rate will be paid.
- 4) Determine the maximum efficiency incentive for each peer group:
 - a. The maximum efficiency incentive for Peer Group 1 is \$3.69.
 - b. The maximum efficiency incentive for Peer Group 2 is \$3.19.
 - c. The maximum efficiency incentive for Peer Group 3 is seven percent of the maximum inflated indirect care cost per diem.
- 5) The allowable indirect care per diem rate is:
 - a. If the inflated indirect care cost per diem is higher than the maximum inflated indirect care cost per diem for the peer group, the indirect care per diem rate is equal to the maximum inflated indirect care cost per diem for the peer group.
 - b. If the inflated indirect care cost per diem is lower than the maximum inflated indirect care cost per diem for the peer group, the indirect care cost per diem is equal to:
 - i. The inflated indirect care cost per diem plus:
 - 1) For Peer Group 1 if the intermediate care facility for individuals with intellectual disabilities has obtained DODD's approval to downsize or convert to home and community based services at least 10% of their Medicaid certified bed capacity or 5

- beds, whichever is fewer, an efficiency incentive equal to either the maximum efficiency incentive for the peer group or a reduced efficiency incentive if the maximum efficiency incentive would cause the indirect care per diem rate to be above the maximum inflated indirect care cost per diem for the peer group.
- 2) For Peer Group 1 if the intermediate care facility for individuals with intellectual disabilities has not obtained DODD's approval to downsize or convert to home and community based services at least 10% of their Medicaid certified bed capacity or 5 beds, whichever is fewer, an efficiency incentive equal to either one half of the maximum efficiency incentive for the peer group; or an efficiency incentive equal to one half of the reduced efficiency incentive if the maximum efficiency incentive would cause the indirect care per diem rate to be above the maximum inflated indirect care cost per diem for the peer group.
 - 3) For Peer Group 2 and 3 an efficiency incentive equal to either the maximum efficiency incentive for the peer group or a reduced efficiency incentive if the maximum efficiency incentive would cause the indirect care per diem rate to be above the maximum inflated indirect care cost per diem for the peer group.

Calculation of Other Protected Per Diem for Peer Groups 1, 2, and 3

Another protected per diem rate is established for each intermediate care facility for individuals with intellectual disabilities except for those in Resident Assessment Classification groups 5N and 6N using allowable other protected costs as reported by each facility in accordance with the following calculation:

- 1) Subtract allowable franchise permit fee costs from the total allowable other protected costs;
- 2) Divide the amount in #1 above by the total inpatient days reported on the same cost report for the facility to determine the other protected costs per diem;
- 3) For Peer Groups 1 and 2, multiply the other protected costs per diem by an inflation factor which is 1.0140;
- 4) For Peer Group 3, multiply the other protected costs per diem by an inflation factor which is 1.0196;
- 5) Add Medicaid's portion of the franchise permit fee per diem rate to determine the other protected costs per diem rate.

Rate Adjustments

- 1) If the mean total per diem rate for all ICFs-IID in Peer Groups 1 and 2 and active on July 1, 2017, weighted by May 2017 Medicaid days is other than \$290.10, for fiscal year 2018, the total per diem rate for each ICF-IID is adjusted by a percentage that is equal to the percentage by which the mean total per diem rate is greater or less than \$290.10.
- 2) An intermediate care facility for individuals with intellectual disabilities may request a reconsideration of a rate on the basis of an extreme hardship on the facility as follows:
 1. Upon direct admission of a resident from a state-operated developmental center to the intermediate care facility.

If a rate adjustment is granted, the adjustment shall be implemented the first day of the first month the former resident of the developmental center resides in the intermediate care facility. The rate adjustment shall be time-limited to no longer than twelve consecutive months, but the adjustment shall be rescinded should the admitted resident permanently leave the intermediate care facility for any reason.

The maximum amount available for each admitted former resident of a state-operated developmental center shall be no more than \$50 per day prorated for the number of filled beds in the facility.