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State/Territory Name: OH

State Plan Amendment (SPA) #: 18-026

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



Financial Management Group

December 12, 2018

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) 18-0026

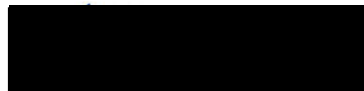
Dear Ms. Sears:

We have reviewed the proposed amendment to Attachment 4.19-D of your Medicaid State plan submitted under transmittal number (TN) 18-0026. Effective January 1, 2019, this State Plan Amendment clarifies State Operated Intermediate Care Facilities for Individuals with Intellectual Disability language.

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 18-026 is approved effective January 1, 2019. 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: 18-026	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 January 01, 2019	
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: 2 CFR Part 225; 42 CFR 440.150; Sections 1905(a)(15) and (d) of the Social Security Act		7. FEDERAL BUDGET IMPACT: a. FFY 2019 \$0 thousands b. FFY 2020 \$0 thousands	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-D, Supplement 3, Pages 1-10 (New)		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Attachment 4.19-D Ohio Administrative Code (OAC) Rule 5101:3-3-99, pp 1-12 (Deleted) OAC Rule 5101:3-3-99, Appx A, pp 1 - 15 (Deleted) OAC Rule 5101:3-3-99, Appx B, p 1 of 1 (TN 07-023) (Deleted)	
10. SUBJECT OF AMENDMENT: Payment for Services: State-Operated ICFs-IID			
11. GOVERNOR'S REVIEW (Check One):			
<input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT		<input checked="" type="checkbox"/> OTHER, AS SPECIFIED:	
<input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED		The State Medicaid Director is the Governor's designee	
<input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL			
12. SIGNATURE OF STATE AGENCY OFFICIAL: 		16. RETURN TO:	
13. TYPED NAME: BARBARA R. SEARS		Carolyn Humphrey Ohio Department of Medicaid P.O. BOX 182709 Columbus, Ohio 43218	
14. TITLE: STATE MEDICAID DIRECTOR			
15. DATE SUBMITTED: October 19, 2018			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED:		18. DATE APPROVED: DEC 12 2018	
PLAN APPROVED – ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVAL: JAN 01 2019		20. SIGNATURE OF REGIONAL OFFICIAL: 	
21. TYPED NAME: Kristin Fan		22. TITLE: Director, FMG	
23. REMARKS:			

Instructions on Back

Background

Facility specific rates for state-operated Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICFs-IID) are established using an interim rate using facility cost report data from the most recent filed fiscal year cost report. The total payments made using the interim rate is reconciled to actual cost upon receipt of the applicable fiscal year cost report. The cost report is Ohio-specific and is submitted electronically within one hundred eighty days of the end of the fiscal year. Each cost report contains the following cost centers and the rate (interim and final) is the sum of the following components:

- 1) Direct Care Costs
- 2) Ancillary Costs
- 3) Capital Costs

Unless otherwise specified, allowable costs are determined in accordance with the following rules and regulations:

- 1) 2 CFR Part 225-Cost Principles for State, Local, and Tribal Indian Governments
- 2) The provider reimbursement manual (CMS Publication 15-1 and 15-2)

TN: 18-026
Supersedes:
TN: 07-023

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Eligibility for Payment for state-operated Intermediate Care Facility for Individuals with Intellectual Disabilities (ICF-IID) Services

In order to be eligible for Medicaid payments, the operator of state-operated ICFs-IID shall enter into a provider agreement with the state and maintain a valid license to operate and comply with all applicable state and federal laws and rules. In Ohio, the Ohio Department of Developmental Disabilities (DODD) is the operator of the state-operated facilities for individuals with intellectual disabilities and maintains all beds participating in the Medicaid program through an interagency agreement with the Ohio Department of Medicaid (ODM).

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Relation to Other Services

The intermediate care facility for individuals with intellectual disabilities (ICF-IID) rate is a comprehensive rate including many services otherwise provided through the Medicaid program on a fee for service basis. The majority of costs are covered through the cost report mechanism. However, some services are reimbursed directly to the medical service provider.

Services that are reimbursed directly to the medical service provider include:

- 1) Dental services provided by licensed dentists that are not facility staff or contracted personnel
- 2) Laboratory and x-ray services, excluding tuberculin tests
- 3) Certain durable medical equipment items, including:
 - a. Ventilators
 - b. Custom-made wheelchairs
- 4) Prostheses
- 5) Orthoses
- 6) Contents of oxygen cylinders or tanks (except for emergency stand-by oxygen)
- 7) Oxygen producing machines
- 8) Pharmaceuticals
- 9) Psychologist services provided by a community mental health center
- 10) Physician services provided by licensed physicians that are not facility staff or contracted personnel
- 11) Podiatry services
- 12) Vision care services

Payment methodologies for these services are described in Attachment 4.19-B.

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Direct Care Costs**Allowable costs for direct care**

Costs included in direct care are reasonable costs incurred for wages, taxes, benefits, staff development and contracting/consulting expenses for the following:

- 1) Registered nurses, licensed practical nurses and nurse aides
- 2) Administrative nursing staff and medical directors
- 3) Psychologist and psychology assistants
- 4) Respiratory therapist, physical therapist, physical therapy assistant, occupational therapist, occupational therapy assistant, speech therapist, audiologist and other persons holding degrees qualifying them to provide therapy
- 5) Qualified Intellectual Disabilities Professionals
- 6) Habilitation staff and supervisor
- 7) Program director, program specialist, activity director and activity staff
- 8) Social work/counseling, social services and pastoral care
- 9) Active treatment off-site day programming
- 10) Quality assurance and other home office costs related to direct care
- 11) Franchise Permit Fee (FPF)
- 12) Other direct care costs

Franchise Permit Fee

The State assesses all providers of intermediate care facility services for individuals with intellectual disabilities a franchise permit fee based on the provider's certified bed count. The franchise permit fee is calculated using projected net patient revenue and bed counts for the provider class, in accordance with the Indirect Guarantee Percentage as defined in federal regulations (section 1903(w)(4)(C)(ii) of the Social Security Act, 120 Stat. 2994 (2006), 42 U.S.C. 1396b(w)(4)(C)(ii), as amended). An FPF is calculated every biennium by taking the FPF rate multiplied by the certified beds count and multiplied by the number of days in the year.

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Calculation of Direct Care Per Diem

1. Calculate the direct care per diem for each state-operated intermediate care facility for individuals with intellectual disabilities (ICF-IID) by dividing direct care costs by total inpatient days.
2. Sum direct care costs for all state-operated ICFs-IID and divide by the sum of all state-operated ICFs-IID inpatient days
3. Calculate the direct care per diem ceiling by taking the amount calculated in (2) and multiply it by one hundred twelve per cent.
4. The state-operated ICF-IID direct care per diem will be the lower of the amount calculated in (1) or the direct care per diem ceiling amount as calculated in (3).

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Ancillary Costs

Allowable costs for Ancillary Costs

Costs included in ancillary costs are reasonable costs incurred for pharmacy, radiology, laboratory, clinic and physician services. Audiology, dental and vision costs are included in clinic services.

- 1) Pharmacy
- 2) Radiology
- 3) Laboratory
- 4) Clinic
- 5) Physician Services

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Calculation of Ancillary Costs

Calculate the ancillary cost per diem for each state-operated intermediate care facility for individuals for intellectual disabilities (ICF-IID) by dividing ancillary costs by total inpatient days.

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CAPITAL COSTS

Allowable costs for Capital

Capital costs are reasonable costs incurred for the depreciation, amortization and interest on any capital assets that cost \$1,000 or more per item, including the following:

- 1) Buildings and improvements
- 2) Equipment
- 3) Transportation equipment
- 4) Land improvements
- 5) Leasehold improvements
- 6) Financing costs
- 7) Home office costs/capital costs

Depreciation

All assets are depreciated using the straight-line method of depreciation. Depreciation is calculated using estimated useful lives of capital assets. No depreciation is recognized in the month that an asset is placed into service. A full month's depreciation expense is recognized in the month following the month the asset is placed into service. In the month an asset is disposed and it is not a change in ownership, depreciation equal to the difference between the historical cost and accumulated depreciation is recognized.

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Calculation of Capital Per Diem

Calculate the capital cost per diem for each state-operated intermediate care facility for individuals with intellectual disabilities (ICF-IID) by dividing capital costs by total inpatient days.

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Coverage and Payment of Bed Hold Days

State-operated intermediate care facilities for individuals with intellectual disabilities (ICF-IID) providers are eligible for payment to reserve a bed for a resident who is away from the facility for hospital leave, visits with friends and family, therapeutic leave, and trial visits to home and community-based settings. Up to 30 days are granted automatically per calendar year per resident. Any requests beyond 30 days require prior approval from the Ohio Department of Developmental Disabilities (DODD) except for emergency hospital stays which must be requested within one business day of the start of the leave period. Payment for all allowable bed hold days is equal to one hundred percent of the provider's per diem rate.

Coverage and payment for short term respite stays

State-operated ICF-IID providers are eligible for payment for an individual on a home and community-based waiver to temporarily reside in the facility for up to 90 days in a calendar year. The state-operated ICF-IID provider shall be paid at the per diem rate for any individual residing in a Medicaid certified state-operated ICF-IID bed. Payment for the individual shall cease after 90 days in a calendar year unless the individual disenrolls from the home and community-based waiver and becomes a permanent resident of the facility.

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