METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES FOR NURSING FACILITIES

STANDARD NURSING FACILITIES SERVING ADULTS (CONTD)

For new facilities beginning operations in the current rate period, the rate will be the median of those established rates for the year.

For the rate period beginning 07-01-07 the total available pool amount for establishing Rate Components for Direct Care and Other Costs as described in 1 and 2 was set at $99,275,444.

For the rate period beginning 11/01/08, the total available pool amount for establishing the rate components' described in 1 and 2 was set at $118,007;540.

For the rate period beginning 01/01/10, the total available' pool amount for establishing the rate components described in 1 and 2 was set at $115,979,147.

For the rate period beginning 04/01/10, the total available pool amount for establishing the rate components described in 1 and 2 was set at $99,248,541.

For the rate period beginning 11/01/10, the total available pool amount for establishing the rate components described in 1 and 2 is $97,607,577.

For the rate period beginning 01/01/12, the total available pool amount for establishing the rate components described in 1 and 2 is $102,318,569.

3. As of July 1, 2007 Nursing Facilities Serving Adults and Aids Patients were/are able to earn additional reimbursement for "points" earned in the Oklahoma Focus on Excellence Quality Rating Program.

For the period beginning 07-01-07, facilities participating in the Focus on Excellence Program will receive an incentive component equal to one percent (1%) of the sum of the Base Rate component plus the Other Component as defined above in this section. Participation is defined as having signed a contract amendment agreeing to participate and successfully remanding the required monthly data entry and annual surveys by the required time. Incomplete submissions and non-submissions are a breach and the facility will not receive bonus payments for those Quality Measurements not reported or reported incompletely, the Oklahoma Health Care Authority will have the final determination if a disagreement occurs as to whether the facility has successfully submitted the required data and surveys.

For the period beginning 01-01-08, the reimbursement was set at the following levels:

Participation and/or 1 to 2 Points earned level:
The add-on is set at 1 % of the sum of the Base Rate and the Other Component
3 to 4 points earned:
The add-on is set at 2% of the sum of the Base Rate and the Other Component
5 to 6 points earned:
The add-on is set at 3% of the sum of the Base Rate and the Other Component

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES FOR NURSING FACILITIES

STANDARD NURSING FACILITIES SERVING ADULTS (CONTD)

7 to 8 points earned:
The add-on is set at 4% of the sum of the Base Rate and the Other Component
9 to 10 points earned:
The add-on is set at 5% of the sum of the Base Rate and the Other Component

For the period beginning 07-01-2008, and thereafter the reimbursement was set at the following levels:

1 to 2 Points earned:
The add-on is set at 1 % of the sum of the Base Rate and the Other Component
3 to 4 points earned:
The add-on is set at 2% of the sum of the Base Rate and the Other Component
5 to 6 points earned:
The add-on is set at 3% of the sum of the Base Rate and the Other Component
7 to 8 points earned:
The add-on is set at 4% of the sum of the Base Rate and the Other Component
9 to 10 points earned:
The add-on is set at 5% of the sum of the Base Rate and the Other Component

Points will be awarded for homes that meet or exceed the established threshold on a range of 10 quality measures. The Quality Metrics are:

(1). Quality of Life: based on Annual Family & Resident Satisfaction Surveys,

(2). Resident/Family Satisfaction: based on Annual Family & Resident Satisfaction Surveys,

(3). Satisfaction: based on Annual Survey of Employees of the Facility,

(4). CNA/Nurse Assistant Turnover & Retention: based on monthly data collected from the providers,

(5). Nurse Turnover & Retention: based on monthly data collected from the providers,

(6). State Survey Compliance: based on the Standard Survey Results, including subsequent activity that results in F tag citations,

(7). System-wide Culture Change: based on Annual Employee Survey questions,

(8). Clinical Measures: based on monthly reported measures of: (a) residents without falls, (b) residents without acquired catheters, (c) residents without acquired physical restraints, (d) residents without unplanned weight loss/gain and (e) residents without acquired pressure ulcers.

Revised 11-01-11

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES FOR NURSING FACILITIES

STANDARD NURSING FACILITIES SERVING ADULTS (CONTD)

(9). SoonerCare (Medicaid) Occupancy and Medicare Utilization: based on relative Medicaid and Medicare service days reported monthly.

(10). Nursing Staffing per Patient Day: based on monthly reported direct care hours per patient day.

For the period beginning 07-01-2007 and until changed by amendment the established threshold for each metric above was set at the median score.

For the period beginning 01-01-2010 and until changed by amendment the established thresholds for each measure were set as follows:

(1). Quality of Life: A score of 75.0, or better
(2). Resident/Family Satisfaction: A Score of 72.0, or better
(3). Employee Satisfaction: A score of 65.0, or better
(4). CNA/Nurse Assistant Turnover and Retention: A Score meeting or exceeding the 58th percentile,
(5). Nurse Turnover & Retention: A score meeting or exceeding the 60th percentile,
(6). System-wide Culture Change: A score of 72.0, or better
(7). Clinical Measures: A score meeting or exceeding the 58th percentile,
(8). SoonerCare Occupancy & Medicare Utilization: the Median Score, or better
(9). Nursing Staffing per patient Day: A score of 3.50 or better
(10). State Survey Compliance

A point will be awarded when:

(1). No citations were made as a result of the annual survey, and
(2). any subsequent care-related scope/severity citations are *"D"* or less and
(3). any subsequent non-care scope/severity citations are "E" or less.

For the payment period beginning 07-01-2012 and until changed by amendment the participating facilities may earn from 0 to 500 points for meeting the requirements of the established quality metrics. The established Quality Metrics and their maximum point values are:

(1.) **Person Centered Care**: *Point Value of 120*
Facility must meet 6 out of 10 of the established measurement artifacts of culture change to receive the points for this metric.
(2.) **Direct Care Staffing:** *Point Value of 50*
Facility must maintain a direct care staffing ratio of 3.5 hours per patient day to receive the points for this metric.

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES FOR NURSING FACILITIES

STANDARD NURSING FACILITIES SERVING ADULTS (CONTD)

(3.) **Resident/Family Satisfaction:** *Point Value of 80*
Facility must maintain a weighted score of 72.0 in order to receive the points for this metric.
Employee Satisfaction: *Point Value of 50*
Facility must maintain a weighted score of 50 or better in order to receive the points for this metric.
(4.) **Licensed Nurse Retention:** *Point Value of 50*
Facility must maintain a 1 year tenure rate for 60% or better of its Licensed Nursing Staff in order to receive the points for this metric.
(5.) **CNA Retention:** *Point Value of 50*
Facility must maintain a 1 year tenure rate for 50% or better of is CNA Staff to receive the points for this metric.
(6.) **Distance Learning Program Participation:** *Point Value of 35*
Facility must sign up and use approved distance learning programs for its direct care staff in order to receive the points for this metric. A percentage of participation will be established later when adequate data to establish thresholds has been collected.
(7.) **Peer Mentoring Program Participation:** *Point Value of 30*
Facility must sign up and use approved peer mentoring programs in order to receive the points for this metric. A percentage of participation will be established later when adequate data to establish thresholds has been collected
(8.) **Leadership Commitment:** *Point Value of 35*
Facility must meet 6 out of 10 of the established measurement artifacts in order to receive the points for this metric.

Payment for meeting the metrics will be made as follows:

- A facility will be able to earn from 1 to 500 points for meeting the established metrics and payment will be established at $.01 per point.
- A facility must earn a minimum of 100 points to receive any payment.
- A facility will forfeit all eligibility for payment in the FOE program for any measurement quarter that the facility receives a citation from the Health Department with a Severity Level of I or higher and the loss of eligibility will continue for any measurement quarters that CMS bans new admissions for the facility.

Revised 11-01-11

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES FOR NURSING FACILITIES

4. QUALIFY OF CARE FEE ASSESSMENTS

56 Okla. Stat. § 2002 requires that all licensed nursing facilities pay a statewide average per patient day Quality of Care assessment fee based on the maximum allowed percentage under federal law of the average gross revenue per patient day. Gross revenues are defined as Gross Receipts (i.e. total cash receipts less donations and contributions). The assessment is an allowable cost and a part of the base rate component. The OHCA was directed to collect the assessment, assess penalties for late payment and deposit the assessments into a "Quality of Care Fund" and make payments from said fund for the purposes listed in the Bill.

5. SPECIALIZED SERVICES

Payment will be made for non-routine nursing facility services identified in an individual treatment plan prepared by the State MR Authority. Services are limited to individuals approved for NF and specialized services as the result of a PASSR/MR Level II screen. The per diem add-on is calculated as the difference in the statewide average standard private MR base rate and the statewide NF facility standard base rate. If the Standard private MR average base rate falls below the standard nursing facility base rate or equals the standard facility base rate for regular nursing facilities the payment will not be adjusted for specialized services.

6. COSTS OF COMPLIANCE WITH OMNIBUS BUDGET RECONCILIATION ACT

(OBRA) OF 1987

All of the costs of compliance appear in provider cost reports used to develop rates. Therefore, no further adjustment or add-on is required.

OS Notification

State/Title/Plan Number: OK 11-010

Type of Action: SPA Approval

Required Date for State Notification: February 06, 2012

Fiscal Impact: FFY 2012 $0 Federal Share
FFY 2013 $0 Federal Share

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: No
Delivery System Innovation: No
Number of People Losing Medicaid Eligibility: 0
Reduces Benefits: No

Detail: The Oklahoma Health Care Authority's rate of payment for nursing facilities consists of a Base Rate Component, a Direct Care Cost Component, an Other Cost Component, and a Pay for Performance Component. This amendment changes the reimbursement methodology for the Pay for Performance rate component. The current rate will be adjusted from a five point methodology, each point earning a bonus rate component equal to 1% of the sum of the base rate and other rate components, to a 500 point system with each point earning a $.01 add-on component to the rate. There will be no cost associated with this change. The change is in focus and reporting on items already being measured as well as adding other measures. The estimated total points earned are expected to mirror those currently being earned.

This amendment also establishes the pool amount for determining the rate for the Other Cost and Direct Care Cost components for the rate period beginning January 1, 2012. Although the pool amount increased from $97,607,577 to $102,318,569 from the previous year, there will be no increase in overall cost due to a reduction in estimated nursing facility days. However, actual nursing facility rates will increase a minimum of 1.08% to a maximum of 2.08%.

The state provided satisfactory responses to the standard funding questions. Tribal consultations were held. Funding for payments comes from state appropriations and a provider tax. In addition, the state demonstrated that the proposed changes comport with public process requirements at section 1902(a)(13)(A) of the Social Security Act and guidance identified in the State Medicaid Director letter issued on December 10, 1997.

Other Considerations:	**We do not recommend the Secretary contact the governor.**
CMS Contact:	**Sandra Dasheiff, CPA, NIRT 214-767-6490** **Tim Weidler, NIRT 816-426-6429** **Janet Freeze, NIRT 410-786-5917**