

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES
INPATIENT HOSPITAL SERVICES

IV. PAYMENT METHODOLOGY FOR LONG TERM CARE HOSPITALS SERVING CHILDREN (LTCHs-C)
(continued)

A. Definitions (continued)

- 5. Sub-acute Level of Care. Skilled care provided by a long term care hospital to patients with medically complex needs. Patients receiving treatment include: children with complex pulmonary problems; children requiring long term care to improve or maintain their physical condition or prevent deterioration; children who are terminally ill; and children who are experiencing severe developmental disabilities and multi-handicaps.

B. Eligible Providers

To be eligible for reimbursement, a long term care hospital must:

- 1. be Medicare certified and have a current contract on file with the Oklahoma Health Care Authority;
- 2. be designated as a long term care facility by the CMS and be licensed by the Oklahoma State Health Department as a Children's Specialty Hospital;
- 3. be engaged in providing sub-acute nursing and rehabilitative services to children; and
- 4. maintain an average daily census of 85% children to remain eligible for reimbursement rate. The census must be based on the entire facility and not a distinct part.

C. Reimbursement

- 1. Base Rate - As of 5-01-09, the base rate for payments to Children's LTCHs will be \$537.40 per day which is the allowable cost per day from the SFY 2008 cost report and MMIS data brought forward to the rate period by the Fourth Quarter 2008 published Global Insight market basket forecasts for "2002 Based CMS Hospital Prospective Reimbursement". The allowable cost includes all routine costs and any ancillary costs supplied directly by the facility.
- 2. Hospital Leave and Therapeutic Leave - LTCH-Cs providing sub-acute routine level of care services will not be eligible for acute hospital leave or therapeutic leave.
- 3. Ancillary Services - May be billed separately to the Oklahoma Medicaid Program, unless reimbursement is available from Medicare or other insurance or benefits programs.

All rates are published on the agency's website located at www.okhca.org. A uniform rate is paid to governmental and non-governmental providers.

- 4. Effective for services provided on or after 04-01-10, the rate in effect on 03-31-10 will be decreased by 3.25%.
- 5. Effective for services provided on or after 10-01-11, the rate in effect is \$522.54 per patient day.

Revised 10-01-11

TN# 11-11 Approval Date DEC - 2 2011 Effective Date 10-01-11
 Supersedes
 TN # 10-21

OS Notification

State/Title/Plan Number: OK 11-011
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 (OHCA) proposes changes to the reimbursement methodology for Children's Sub-Acute Long Term Care Hospitals. The rate will be adjusted by \$2.61 per patient day to \$522.54 per patient day. This adjustment is to reimburse the hospitals for the cost of medically necessary Botox injections. These injections are currently being provided off campus. The facilities will now make the procedure available from qualified individuals on staff. This change will allow the children to have the injections on site and not go through the trauma of transportation to an off-site clinic. There is no increase in cost to the OHCA because the reimbursement is the same as that currently made to off-site clinics.

The state provided satisfactory responses to the standard funding questions. Tribal consultations were held. Funding for payments comes from state appropriations. 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.

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