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State/Territory Name: Oklahoma

State Plan Amendment (SPA) #: 13-14

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) Summary Form (with 179-like data)
- 3) Superseding Pages Notice (delete if not applicable)
- 4) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-26-12
Baltimore, Maryland 21244-1850



DEC 05 2013

Dr. Garth Splinter
State Medicaid Director
2401 NW 23rd Street, Suite 1A
Oklahoma City, Oklahoma 73107

RE: TN 13-14

Dear Dr. Splinter:

We have reviewed the proposed amendment to Attachment 4.19-D of your Medicaid State plan submitted under transmittal number (TN) 13-14. The purpose of this amendment is to adjust the rates for nursing facilities including those serving AIDs patients, and private Intermediate Care Facilities for the Mentally Retarded (ICF/MR) including specialized facilities with 16 beds or less.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30), 1903(a) and 1923 of the Social Security Act, and the implementing Federal regulations at 42 CFR 447 Subpart C. As part of the review process the state provided satisfactory responses to questions regarding the funding of the state share of expenditures under Attachment 4.19-D.

Based upon the assurances provided, Medicaid state plan amendment 13-14 is approved effective July 1, 2013. We are enclosing the CMS-179 and the amended plan pages.

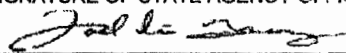
If you have any questions, please call Tamara Sampson at (214) 767-6431.

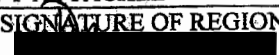
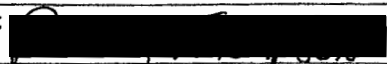
Sincerely,



Director

Enclosures

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES	1. TRANSMITTAL NUMBER 1 3 - 1 4	2. STATE Oklahoma
	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 1, 2013	
5. TYPE OF PLAN MATERIAL (Check One)		
<input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS A 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 CFT 440.155	7. FEDERAL BUDGET IMPACT a. FFY 2013 1,730,759 b. FFY 2014 6,923,037	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT See Attachment	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) See Attachment	
10. SUBJECT OF AMENDMENT Nursing Facility Rate Changes		
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 Governor does not review State Plan material. <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL		
12. SIGNATURE OF STATE AGENCY OFFICIAL 	16. RETURN TO Oklahoma Health Care Authority Attn: Garth Splinter 2401 N.W. 23rd. Suite 1A Oklahoma City, OK 73107	
13. TYPED NAME Joel Nico Gomez		
14. TITLE Chief Executive Officer		
15. DATE SUBMITTED September 19, 2013		

FOR REGIONAL OFFICE USE ONLY	
17. DATE RECEIVED: 19-Sep-13	18. DATE APPROVED: DEC 05 2013
PLAN APPROVED - ONE COPY ATTACHED	
19. EFFECTIVE DATE OF APPROVED MATERIAL: JUL 01 2013	20. SIGNATURE OF REGIONAL OFFICIAL: 
21. TYPED NAME: 	22. TITLE: Deputy Director, Policy & Financial Mgt. OHS
23. REMARKS: cc: Nico Gomez Cindy Roberts Tywanda Cox Garth Splinter	

ATTACHMENT TO OK SPA # 13-14

8. Page Number of the Plan Section or Attachment

Attachment 4.19-D, Page 3

Attachment 4.19-D, Page 5

Attachment 4.19-D, Page 7

Attachment 4.19-D, Page 7.1

Attachment 4.19-D, Page 11

Attachment 4.19-D, Page 28

Attachment 4.19-D, Page 41

9. Page Number of the Superseded Plan Section or Attachment

Same Page, Revised 09-01-12, TN # 12-10

Same Page, Revised 09-01-12, TN # 12-10

Same Page, Revised 11-01-11, TN # 11-10

Same Page, Revised 01-01-13, TN # 13-05

Same Page, Revised 09-01-12, TN # 12-10

Same Page, Revised 09-01-12, TN # 12-10

Same Page, Revised 09-01-12, TN # 12-10

**METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES
FOR NURSING FACILITIES**

STANDARD NURSING FACILITIES SERVING ADULTS (CONTD)

B. RATE SETTING PROCESS

Beginning July 1, 2007, the Oklahoma Health Care Authority uses the following method to adjust rates of payment for nursing facilities:

1. DEFINITIONS:

Base Rate Component is the rate in effect on June 30, 2005, defined as \$103.20 per day. Included in the base rate is the QOC Fee. Any changes to the Base Rate will be made through future Plan changes if required. For the rate period beginning September 01, 2012, the Base Rate will be \$103.29. For the rate period beginning July 1, 2013, the Base Rate will be \$107.24.

Direct Care Cost Component is defined as the component established based on each facilities relative expenditures for Direct Care which are those expenditures reported on the annual costs reports for salaries (including professional fees and benefits), for registered nurses, licensed practical nurses, nurse aides and certified medication aides.

Other Cost Component is defined as the component established based on monies available each year for all costs other than direct care and incentive payment totals, i.e. total allowable routine and ancillary costs (including capital and administrative costs) of nursing facility care less the Direct Care Costs and incentive payment totals..

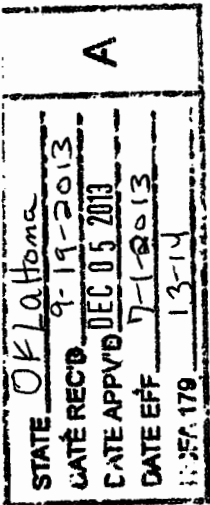
Incentive Rate Component is defined as the component earned each quarter under the Focus on Excellence program.

Rate Period is defined as the period of time between rate calculations.

2. GENERAL:

The estimated total available funds will include the estimated savings or loss to the program as a result of the automatic cost of living adjustment on Social Security benefits as published in the federal register and the resulting effect to the spend-down required of the recipients. For Regular Nursing facilities, the effect is \$.32 per day for each one (1) percent change in the SSI determined from the average effect of SSI increases from CY 2004 to CY 2009.

Individual rates of payment will be established as the sum of the Base Rate plus add-ons for Direct Care, Other Costs and the incentive add-on earned under the Oklahoma Focus on Excellence Quality of Care Rating System.



Revised 07-01-13

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Supersedes TN # 12-10

**METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES
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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.

For the rate period beginning 09/01/12, the total available pool amount for establishing the rate components described in 1 and 2 is \$147,230,204.

For the rate period beginning 07/01/13, the total available pool amount for establishing the rate components described in 1 and 2 is \$162,205,189.

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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

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Supersedes TN# 1210

**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:

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- (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 data collection period beginning 07-01-13 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 90**
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.

Revised 07-01-13

TN# OK-1314 Approval Date DEC 05 2013 Effective Date 7-1-2013

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**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 76.0 in order to receive the points for this metric.

Employee Satisfaction: Point Value of 50

Facility must maintain a weighted score of 70 or better in order to receive the points for this metric.

(4.) Licensed Nurse Retention: Point Value of 55

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 55

Facility must maintain a 1 year tenure rate for 50% or better if CNA Staff is 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.

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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 \$0. 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 07-01-13

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METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES
FOR NURSING FACILITIES

STANDARD NURSING FACILITY SERVING AIDS PATIENTS (CONTD)

B. RATE SETTING PROCESS

1. DEFINITIONS AND METHODOLOGY

Base Rate Component is the rate component representing the allowable cost of the services rendered in an aids nursing facility and for the period beginning November 1, 2010 is \$178.64, the difference in the costs reported for aids facilities and regular nursing facilities plus the average rate for November 1, 2010 for regular nursing facilities, not including the incentive payment component (\$193.79 less \$138.17 plus \$123.02); or \$178.64 per patient day. For the rate period beginning September 1, 2012, the Base Rate Component will be \$192.50. For the rate period beginning July 1, 2013, the Base Rate Component will be \$196.95.

- (A) 56 Okla. Stat. § 2002 requires that all licensed nursing facilities pay a statewide average per patient day *Quality of Care assessment fee* based on maximum percentage allowed 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 as it relates to Medicaid services and a part of the base rate component.*

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Revised 07-01-13

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SUPERSEDES: TN- 12-10

**METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES
INTERMEDIATE CARE FACILITIES FOR THE MENTALLY RETARDED**

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Enhancements (continued)

3. Total specified staff salaries were multiplied by the employee benefits ratio calculated in 2 above, to determine allowable employee benefits.
4. Specified staff salaries and allowable employee benefits were summed and divided by total facility patient days to arrive at the base year allowable cost per diem.
5. The base year allowable cost per diem for each facility was trended forward by factors of 2.9 percent and 3.1 percent.
6. An adjustment of \$4.20 per day was added to the trended base year costs to arrive at the target rate for each facility.
7. For facilities demonstrating compliance for two consecutive quarters as of June 30, 2000, the reporting requirement is waived. Facilities not in compliance or not participating at July 1, 2000, may not participate in the program and receive the enhanced rate adjustment of \$4.20. New facilities and facilities under new ownership may participate in the wage enhancement program and will be subject to the compliance requirements of the program. As of July 1, 2007 the adjustment for wage enhancement will be applied to 100% of the facilities due to 100% compliance in expenditure levels and due to the adjustments in 6 below.

5. RATE ADJUSTMENTS BETWEEN REBASING PERIODS

Beginning January 1, 2010, the rates will be adjusted annually on January 1, in an amount equal to the estimated savings or loss to the program as a result of the automatic cost of living adjustment on Social Security benefits as published in the Federal Register and the resulting effect to the spend-down required of the recipients. The estimated total funds will include the estimated savings or loss to the program as a result of the automatic cost of living adjustment on Social Security benefits as published in the federal register and the resulting effect to the spend-down required of the recipients. For Standard Private Intermediate Care Facilities for the Mentally Retarded (ICFs/MR) the effect is \$.22 per day for each one (1) percent change in the SSI determined from the average effect of SSI increases from CY 2004 to CY 2009.

6. For the rate period beginning July 1, 2006, the statewide rate will be increased by 10.32%.
7. For the rate period beginning July 1, 2008, the statewide rate will be increased by 4.57%.
8. For the rate period beginning April 1, 2010, the statewide rate will be decreased by 2.81%.
9. For the rate period beginning September 1, 2012, the statewide rate will be increased by 1.93%.
10. For the rate period beginning July 1, 2013, the statewide rate will be increased by 0.56%.

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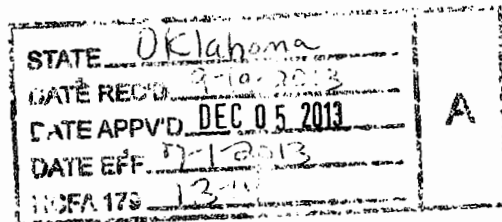
**METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES
INTERMEDIATE CARE FACILITIES FOR THE MENTALLY RETARDED**

5. RATE ADJUSTMENTS BETWEEN REBASING PERIODS

Beginning January 1, 2010, the rates will be adjusted annually on January 1, in an amount equal to the estimated savings or loss to the program as a result of the automatic cost of living adjustment on Social Security benefits as published in the Federal Register and the resulting effect to the spend-down required of the recipients. The estimated total funds will include the estimated savings or loss to the program as a result of the automatic cost of living adjustment on Social Security benefits as published in the federal register and the resulting effect to the spend-down required of the recipients. For Specialized Private Intermediate Care Facilities for the Mentally Retarded 16 Bed or Less, the effect is \$.20 per day for each one (1) percent change in the SSI determined from the average effect of SSI increases from CY 2004 to CY 2009.

- 6. For the rate period beginning July 1, 2006, the statewide rate will be increased by 10.90%.
- 7. For the rate period beginning July 1, 2008, the statewide rate will be increased by 3.90%
- 8. For the rate period beginning April 1, 2010, the statewide rate will be decreased by 2.93%.
- 9. For the rate period beginning September 1, 2012, the statewide rate will be increased by 1.86%.
- 10. For the rate period beginning July 1, 2013, the statewide rate will be increased by 0.30%.

The state has in place a public process which complies with the requirements of Section 1902(a)(13)(A) of the Social Security Act.



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