

## **Table of Contents**

**State/Territory Name: OH**

**State Plan Amendment (SPA) #: 19-0030**

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

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**Financial Management Group**

February 5, 2020

Maureen Corcoran, Director  
Ohio Department of Medicaid  
50 West Town Street, Suite 400  
Columbus, Ohio 43215

RE: Ohio State Plan Amendment (SPA) 19-0030


Dear Ms. Corcoran:

We have reviewed the proposed amendment to Attachment 4.19-D of your Medicaid State plan submitted under transmittal number 19-0030. Effective October 17, 2019, this SPA proposes to implement changes to the per Medicaid day quality payment rate, add a new quality incentive payment, and change payment for low resource utilization residents.

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. We have found that the proposed reimbursement methodology complies with applicable requirements and therefore have approved them with an effective date of October, 17, 2019. We are enclosing the CMS-179 and the amended approved plan pages.


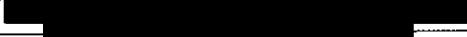
If you have any questions, please contact Fredrick Sebree at [Fredrick.sebree@cms.hhs.gov](mailto:Fredrick.sebree@cms.hhs.gov).

Sincerely,



Kristin Fan  
Director

cc:  
Fredrick Sebree  
Tom Caughey

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b>		1. TRANSMITTAL NUMBER: <b>19-030</b>	2. STATE <b>OHIO</b>
<b>FOR: CENTERS FOR MEDICARE AND MEDICAID SERVICES</b>		3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
		4. PROPOSED EFFECTIVE DATE <b>October 17, 2019</b>	
TO: REGIONAL ADMINISTRATOR CENTERS FOR MEDICARE & MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES			
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"/> <b>AMENDMENT</b>			
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)			
6. FEDERAL STATUTE/REGULATION CITATION: 42 CFR 483.75		7. FEDERAL BUDGET IMPACT: a. FFY 2020    \$ 36,660 thousands b. FFY 2021    \$ 36,817 thousands	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:  <u>Attachment 4.19-D, Supplement 1</u> Section 001.17, Pages 1-2 of 2 Section 001.18, Page 1 of 1 Section 001.18.1, Pages 1-3 of 3 New Section 001.20.4, Page 1 of 1		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable):  <u>Attachment 4.19-D, Supplement 1</u> Section 001.17, Pages 1-2 of 2 (TN 18-027) Section 001.18, Pages 1-2 of 2 (TN 18-020)  Section 001.20.4, Pages 1-2 of 2 (TN 17-004)	
10. SUBJECT OF AMENDMENT: Payment for Services: Nursing Facility Services – Quality and Low Resource Utilization Residents			
11. GOVERNOR'S REVIEW (Check One):			
<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		<input checked="" type="checkbox"/> <b>OTHER, AS SPECIFIED:</b> The State Medicaid Director is the Governor's designee	
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: <b>MAUREEN M. CORCORAN</b>			
14. TITLE: <b>STATE MEDICAID DIRECTOR</b>			
15. DATE SUBMITTED: <u>December 23, 2019</u>			
<b>FOR REGIONAL OFFICE USE ONLY</b>			
17. DATE RECEIVED:		18. DATE APPROVED: <b>February 5, 2020</b>	
<b>PLAN APPROVED – ONE COPY ATTACHED</b>			
19. EFFECTIVE DATE OF APPROVED MATERIAL: <b>October 17, 2019</b>		20. SIGNATURE OF REGIONAL OFFICIAL: 	
21. TYPED NAME: <b>Kristin Fan</b>		22. TITLE: <u>Director, FMG</u>	
23. REMARKS:			

**Instructions on Back**

**Quality Indicators and Quality Payment Rate****Quality Indicators**

Department of Medicaid determines the per Medicaid day quality payment rate for nursing facilities based on the number of quality points nursing facilities earn for meeting various quality indicators.

The Department of Medicaid will use data from the calendar year immediately preceding the calendar year in which the state fiscal year begins to determine quality points.

A nursing facility may earn a maximum of one point for each of the following quality indicators during the measurement period. For the pressure ulcer quality indicator and the antipsychotic medication quality indicator, nursing facilities may earn a maximum of one point each for rates for short-stay residents and a maximum of one point each for rates for long-stay residents. Based on the number of quality indicator points earned, the Department of Medicaid will calculate a per Medicaid day quality payment rate for each nursing facility. To earn a point for each of the quality indicators, the nursing facility shall meet the following criteria.

- 1) *Pressure Injuries*  
Score no more than the 40<sup>th</sup> percentile for pressure injury rates. The Department of Medicaid obtains pressure injury rates from the Centers for Medicare and Medicaid Services (CMS) website using the CMS quality measure for short-stay residents who have a new or worsened pressure ulcer, and the CMS quality measure for long-stay residents with pressure ulcers. If a nursing facility has insufficient data to calculate a pressure injury rate, the facility shall not receive a quality point for this indicator.
- 2) *Antipsychotic Medications*  
Score no more than the 40<sup>th</sup> percentile, as established by ODM, for antipsychotic medication use rates. If a nursing facility has insufficient data to calculate an antipsychotic medication use rate, the facility shall not receive a quality point for this indicator.
- 3) *Unplanned Weight Loss*  
Score no more than the 40<sup>th</sup> percentile of the long-stay nursing facility residents' unplanned weight loss rate. The Department of Medicaid obtains the unplanned weight loss rate from the CMS website using the CMS quality measure for long-stay residents who lose too much weight.
- 4) *Employee Retention*  
Attain an employee retention target rate of at least the 75<sup>th</sup> percentile. The Department of Medicaid calculates the percentile using the employee retention rates from all Medicaid nursing facility annual cost reports. If a nursing facility enters a "NO" response or does not provide a response in the employee retention portion of the Medicaid nursing facility annual cost report, the facility shall not receive a quality point for this indicator.

5) *Satisfaction Survey*

For even-numbered state fiscal years, attain a target rate of at least the fiftieth percentile of the overall score for all participating nursing facilities on the Ohio Department of Aging's most recently published resident satisfaction survey. For odd-numbered state fiscal years, attain a target rate of at least the fiftieth percentile of the overall score for all participating nursing facilities on the Ohio Department of Aging's most recently published family satisfaction survey.

Religious nonmedical health care institutions (RNHCIs) shall receive one point each for the pressure injury, antipsychotic medication, and unplanned weight loss quality indicators.

Calculation of the Quality Payment Rate

For state fiscal year 2017 and each fiscal year thereafter, the Ohio Department of Medicaid shall calculate the per Medicaid day quality payment rate for each nursing facility as follows:

- 1) Determine the number of inpatient Medicaid days reported by each nursing facility on the Medicaid nursing facility annual cost report for the calendar year preceding the fiscal year in which the quality payment will be paid.
- 2) Determine the total number of inpatient Medicaid days reported by all nursing facilities on the Medicaid nursing facility annual cost report for the calendar year preceding the fiscal year in which the quality payment will be paid.
- 3) Determine the number of quality points earned by each nursing facility during the applicable measurement period as specified in section 001.17 of Attachment 4.19-D, Supplement 1.
- 4) For each nursing facility, multiply the number of inpatient Medicaid days as determined in paragraph 1) above for the nursing facility by the number of quality points earned by the nursing facility as determined in paragraph 3) above. This product is the point days earned by each nursing facility.
- 5) Determine the total number of point days for all nursing facilities.
- 6) Multiply \$1.79 by the total number of Medicaid days delivered by all nursing facilities as determined in paragraph 2) above. This product is the total amount of quality funds to be paid to nursing facilities by the Ohio Department of Medicaid in the applicable fiscal year.
- 7) Divide the total amount of quality funds to be paid as calculated in paragraph 6) above by the total number of point days for all nursing facilities as determined in paragraph 5) above.
- 8) Multiply the amount calculated in accordance with paragraph 7) above by the quality points earned by each nursing facility as determined in paragraph 3) above. This product is the per Medicaid day quality payment for each nursing facility.

The largest per Medicaid day quality payment for a fiscal year shall be paid to nursing facilities that meet all of the quality indicators for the measurement period.

If a nursing facility undergoes a change of operator during a state fiscal year, the per Medicaid day quality payment rate to be paid to the entering operator for nursing facility services that the nursing facility provides during the period beginning on the effective date of the change of operator and ending on the last day of the state fiscal year shall be the same amount as the per Medicaid day quality payment rate that was in effect on the day immediately preceding the effective date of the change of operator and paid to the nursing facility's exiting operator. For the immediately following state fiscal year, the per Medicaid day quality payment rate shall be the mean per Medicaid day quality payment rate for all nursing facilities for the state fiscal year.

Nursing facility providers may request a rate reconsideration on the basis of a possible error in the calculation of the per Medicaid day quality payment rate.

***Calculation of the Quality Incentive Payment Rate***

For the second half of state fiscal year 2020 and all of each state fiscal year thereafter, each nursing facility's per Medicaid day quality incentive payment rate shall be determined as follows:

- 1) Determine the sum of the quality scores determined according to the Quality Scores section below.
- 2) Determine the average quality score by dividing the sum determined in paragraph 1) above by the number of nursing facilities for which a quality score was determined.
- 3) Determine the following:
  - a) For the second half of state fiscal year 2020, the sum of the total number of Medicaid days for the second half of calendar year 2018 for all nursing facilities for which a quality score was determined.
  - b) For all of state fiscal year 2021 and each state fiscal year thereafter, the sum of the total number of Medicaid days for the measurement period applicable to the state fiscal year for all nursing facilities for which a quality score was determined.
- 4) Multiply the average quality score determined in paragraph 2) above by the sum determined in paragraph 3) above.
- 5) Determine the value per quality point by determining the quotient of the following:
  - a) The following:
    - i. For the second half of state fiscal year 2020, the sum determined in paragraph 1) b) of the Fiscal Year Amounts section below.
    - ii. For all of state fiscal year 2021 and each state fiscal year thereafter, the sum determined in paragraph 2) b) of the Fiscal Year Amounts section below.
  - b) The product determined in paragraph 4) above.
- 6) Multiply the value per quality point determined in paragraph 5) above by the nursing facility's quality score determined according to the Quality Scores section below.

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**Quality Scores**

A nursing facility's quality score for a state fiscal year shall be the sum of the total number of points that CMS assigned to the nursing facility under CMS's nursing facility five-star quality rating system for the following quality metrics:

- 1) The percentage of the nursing facility's long-stay residents at high risk for pressure ulcers who had pressure ulcers during the measurement period.
- 2) The percentage of the nursing facility's long-stay residents who had a urinary tract infection during the measurement period.
- 3) The percentage of the nursing facility's long-stay residents whose ability to move independently worsened during the measurement period.
- 4) The percentage of the nursing facility's long-stay residents who had a catheter inserted and left in their bladder during the measurement period.

TN 19-030 Approval Date 02/05/2020

Supersedes

TN New Effective Date 10/17/2019

In determining a nursing facility's quality score for a state fiscal year, the Department of Medicaid shall make the following adjustment to the number of points that CMS assigned to the nursing facility for each of the quality metrics specified above:

- 1) Divide the number of the nursing facility's points for the quality metric by 20.
- 2) If CMS assigned the nursing facility to the lowest percentile for the quality metric, reduce the number of the nursing facility's points for the quality metric to zero.

A nursing facility's quality score shall be zero for a state fiscal year if it is not to receive a quality incentive payment for that state fiscal year, other than the second half of state fiscal year 2020, if the nursing facility's licensed occupancy percentage is less than 80%. This does not apply to a nursing facility for a state fiscal year if either of the following apply:

- 1) The nursing facility has a quality score of at least 15 points.
- 2) The nursing facility was initially certified for participation in the Medicaid program.

A nursing facility's licensed occupancy percentage for a state fiscal year shall be determined as follows:

- 1) Multiply the nursing facility's licensed capacity on the last day of the measurement period applicable to the state fiscal year by the number of days in that measurement period.
- 2) Divide the number of the nursing facility's inpatient days for the measurement period applicable to the state fiscal year by the product determined in paragraph 1) above.

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### **Fiscal Year Amounts**

The total amount to be spent on quality incentive payments for a state fiscal year shall be the following:

- 1) For the second half of state fiscal year 2020, the amount determined as follows:
  - a) Determine the following amount for each nursing facility, including those that do not receive a quality incentive payment due to having licensed occupancy below 80%.
    - i. The amount that is 2.4% of the nursing facility's base rate for nursing facility services provided on January 1, 2020.
    - ii. Multiply the amount determined in paragraph i above by the number of the nursing facility's Medicaid days for the second half of calendar year 2018.
  - b) Determine the sum of the products determined in paragraph ii above for all nursing facilities for which the product was determined for the second half of state fiscal year 2020.
- 2) For all of state fiscal year 2021 and each state fiscal year thereafter, the amount determined as follows:
  - a) Determine the following amount for each nursing facility, including those that do not receive a quality incentive payment due to having licensed occupancy below 80%.

TN 19-030 Approval Date 02/05/2020

Supersedes

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- i. The amount that is 2.4% of the nursing facility's base rate for nursing facility services on the first day of the state fiscal year.
  - ii. Determine the sum of the amounts determined in paragraph i above.
  - iii. Multiply the sum determined in paragraph ii above by the number of the nursing facility's Medicaid days for the measurement period applicable to the state fiscal year.
- b) Determine the sum of the products determined in paragraph iii above for all nursing facilities for which the product was determined for the state fiscal year.

*Low Resource Utilization Residents*

The per diem rate for nursing facility services provided to low resource utilization residents shall be a flat rate instead of the facility-specific total per diem rate. Low resource utilization residents are those residents who are assigned to the PA1 and PA2 resource utilization groups, which are assigned the two lowest relative resource weights possible: 1.0000 and 1.1111.

Beginning in October 2019, payment for low resource utilization residents shall be a flat rate of \$115.00 per Medicaid day, as set by the Ohio General Assembly.