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State/Territory Name: Ohio

State Plan Amendment (SPA) #: 25-0016

This file contains the following documents in the order listed:

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
601 E. 12th St., Room 355
Kansas City, Missouri 64106

CENTERS FOR MEDICARE & MEDICAID SERVICES
CENTER FOR MEDICAID & CHIP SERVICES

Medicaid and CHIP Operations Group

November 19, 2025

Scott R. Partika
Medicaid Director
Ohio Department of Medicaid
50 West Town Street
Columbus, OH 43215

RE: Ohio 25-0016 PACE State Plan Amendment

Dear Director Partika:

The Centers for Medicare & Medicaid Services (CMS) completed the review of Ohio State Plan Amendment (SPA) Transmittal Number 25-0016 submitted on August 29, 2025. The purpose of this SPA is to update PACE AWOP methodology to address PACE sites outside of MyCare counties.

We conducted our review of your submittal according to statutory requirements in Title XIX of the Social Security Act and the implementing regulations. This letter is to inform you that Ohio Medicaid 25-0016 is approved with an effective date of July 1, 2025.

If you have any questions concerning this information, please contact me at (410) 786-7561. You may also contact Dell Gist at dell.gist@cms.hhs.gov or (312) 886-2568.

Sincerely,

[redacted]

George P. Failla, Jr., Director
Division of HCBS Operations & Oversight

Enclosures

cc: Gregory Niehoff, ODM
Dell Gist, CMS
Shante Shaw, CMS
Cynthia Nanes, CMS
Christine Davidson, CMS
Angela Cimino, CMS

DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICES

REVISED

FORM APPROVED
OMB No. 0938-0193

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL

FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES

1. TRANSMITTAL NUMBER: 25-0016

2. STATE: OH

3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT: (●) XIX ( ) XXI

TO: CENTER DIRECTOR
CENTERS FOR MEDICAID & CHIP SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE
July 1, 2025

5. FEDERAL STATUTE/REGULATION CITATION
42 CFR Part 460

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)
a. FFY 2025 $ 0
b. FFY 2026 $ 0

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT
Supplement 4 to Atch 3.1-A, Pages 6-8 of 9

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT *(If Applicable)*
Supplement 4 to Atch 3.1-A, Pages 6-8 of 9 (TN 23-046)

9. SUBJECT OF AMENDMENT
Update to PACE AWOP methodology to address PACE sites outside of MyCare counties

10. GOVERNOR'S REVIEW *(Check One)*
( ) GOVERNOR'S OFFICE REPORTED NO COMMENT
( ) COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
( ) NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL
(●) OTHER, AS SPECIFIED:
The State Medicaid Director is the Governor's designee

11. SIGNATURE OF STATE AGENCY OFFICIAL
[redacted]

12. TYPED NAME
MAUREEN M. CORCORAN

13. TITLE
STATE MEDICAID DIRECTOR

14. DATE SUBMITTED
August 29, 2025

15. RETURN TO
Greg Niehoff
Ohio Department of Medicaid
P.O. BOX 182709
Columbus, Ohio 43218

FOR CMS USE ONLY

16. DATE RECEIVED
August 29, 2025

17. DATE APPROVED
November 19, 2025

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL
July 1, 2025

19. SIGNATURE OF APPROVI
[redacted]

20. TYPED NAME OF APPROVING OFFICIAL
George P. Failla, Jr.

21. TITLE OF APPROVING OFFICIAL
Division of HCBS Operations & Oversight

22. REMARKS

II. Rates and Payments

A. The State assures CMS that the capitated rates will be less than the cost to the agency of providing State plan approved services to an equivalent non-enrolled population group based upon the following methodology. Please attach a description of the negotiated rate setting methodology and how the State will ensure that rates are less than the amount the state would have otherwise paid for a comparable population.

1.____ Rates are set at a percent of the amount that would otherwise been paid for a comparable population.
2.____ Experience-based (contractors/State's cost experience or encounter date)(please describe)
3.____ Adjusted Community Rate (please describe)
4. X Other (please describe): See below

AWOP Methodology

PACE amounts that would otherwise have been paid (AWOP) are developed separately for the Medicaid Only PACE population and the Dual Eligible PACE population. The AWOP methodology differs for individuals otherwise eligible for PACE who receive services on a fee-for-service (FFS) basis versus individuals otherwise eligible for PACE who receive services through a managed care program. An updated calculation of the AWOPs will be prepared on an annual basis and will be calculated for a period no longer than 12 months. The base data underlying the AWOP will reflect the most recent available year of data and will not be more than three years older than the rating period.

The AWOP for individuals otherwise eligible for PACE who receive services on a FFS basis is developed using updated historical FFS data for individuals ages 55 and over who reside in Ohio counties where PACE facilities are anticipated to operate and meet the nursing facility level of care eligibility (proxy data). The annual AWOP calculation for FFS enrollees will reflect appropriate adjustments to ensure consistency between the PACE capitation rate and corresponding AWOP, including but not limited to claims trend, age-based normalization, adjustments to account for the comparable frailty of the PACE population as applicable, and a revised projection of the assumed enrollment distribution between recipients requiring different levels of care (LOC). For a consistent comparison, the AWOP methodology includes addition of projected patient liability amounts because the PACE capitation rates will be filed gross of patient liability (i.e. patient liability will ultimately be determined and administered on an enrollee-specific basis).

For counties within the boundaries of the managed care program, the AWOP is developed using the managed care capitation rates as the base data, augmented with FFS data as necessary. The managed care data is an appropriate proxy because 100% of these individuals who are otherwise eligible for PACE are enrolled in the managed

care program in these counties and, therefore, the full capitation rate would be paid for each recipient not enrolled in PACE. The annual AWOP calculation for managed care enrollees will reflect appropriate adjustments as necessary to ensure consistency between the PACE capitation rate and AWOP, including but not limited to claims trend to the rating period, updated age-based normalization, adjustments to account for the comparable frailty of the PACE population as applicable, and a revised projection of the assumed enrollment distribution between recipients requiring different LOC.

In counties where managed care capitation rates have not been established, the Ohio Department of Medicaid (ODM) may utilize FFS data to inform the development of the AWOP, in alignment with the methodology outlined for the populations currently receiving claims on a FFS basis. If ODM opts to not use FFS data for the AWOP in these counties, the AWOP would be based solely on the managed care capitation rates for adjacent regions with appropriate adjustments as necessary.

PACE Capitation Rates Methodology

Projected proxy data gross of patient liability should be categorized into two cohorts representing four data groups: (1) HCBS Waiver cohort (Dual Eligible and Medicaid Only enrolled in eligible HCBS); and (2) Nursing Facility population cohort (Dual Eligible and Medicaid Only nursing facility residents.) Because nursing facility utilization is expected to be lower for PACE program enrollees than for the composite PACE-eligible population, the proxy PACE capitation rates are developed assuming a PACE-specific mix of the HCBS Waiver cohort and the Nursing Facility population cohort costs. Capitation rates for the Dual Eligible and Medicaid Only populations will be developed separately for new and existing sites to reflect anticipated differences in the population distribution. ODM may elect to include adjustments in the development of the PACE capitation rates to reflect assumed reductions in non-LTSS services as a result of transitioning to a managed care environment. The PACE capitation rates are calculated and filed gross of patient liability because liability amounts will be determined and administered on an enrollee-specific basis.

Development of the capitation rates for populations currently receiving services on a FFS basis will utilize the same base FFS data, trend, and program adjustments underlying the corresponding AWOP. Further adjustments to develop the capitation rate may include but are not limited to the distribution of assumed PACE participants by level-of-care (LOC) cohort and estimating the impact of managed care savings on acute care services.

For counties within the boundaries of the managed care program, the capitation rate development will follow a similar methodology to the capitation rate development for populations receiving services on a FFS basis but will instead utilize data underlying the managed care program as the base data. In counties where managed care encounter data is not sufficiently complete to support use as the base data period, ODM shall apply the same rate development methodology utilized for the population receiving services on a FFS basis in the development of capitation rates. The capitation rate development for populations currently enrolled in managed care will reflect appropriate adjustments to ensure consistency with the corresponding AWOP, including but not limited to claims trend to the rating period, updated age-based normalization, adjustments to account for the comparable frailty of the PACE population as applicable, and a revised projection of the assumed enrollment distribution between recipients requiring different LOC. The AWOP and the capitation rate development for individuals currently enrolled in managed care use different methodologies. The AWOP calculation relies on certified managed care capitation rates, while PACE capitation rate development requires a ground-up approach using claims experience data for the PACE-eligible population. When incorporating FFS experience into the AWOP analysis, the methodology must be augmented with a ground-up approach using FFS data as the foundation. In contrast, PACE capitation rate development already uses this ground-up approach, allowing FFS experience data to be readily substituted for managed care experience data.

To the extent that PACE capitation rates are filed for an effective period of more than one year, the capitation rates need to be filed at amounts lower than the projected AWOPs corresponding to each year of the effective period for the capitation. The State will ensure the capitation rates paid to the PACE provider are less than the corresponding AWOPs. Although the final PACE capitation rates may result from negotiations with the provider and include consideration of actual PACE plan experience, a methodology similar to the AWOP methodology can be used to inform the rate negotiations.