

Skilled Nursing Facility Private Room Amendment SC1025

This amendment would further the General Assembly's intent, expressed just two years ago, to increase the number of private rooms in Ohio skilled nursing facilities (SNFs) and expand access to private rooms for Medicaid residents. HB 33 implemented this policy by creating incentive payments for Medicaid residents in private rooms. Governor DeWine strongly supported this policy.

The private room incentive payments took effect just six months ago. Not surprisingly, the program proved to be quite popular. ODM has approved 28,000 private rooms so far, a third of the total SNF bed capacity in Ohio. Private rooms benefit residents because they enhance their privacy and dignity and help protect them from the spread of communicable diseases.

Although HB 33 encouraged development of more private rooms through the incentive payments, it did not create unlimited fiscal liability for the state. Current law limits expenditures for private room incentive payments to \$160 million per year and specifies that ODM cannot approve any more private rooms if the cap is reached. To date, approvals have stayed under the cap.

The House-passed version of HB 96, however, would roll back this policy by imposing an unworkable cap of 15,000 private rooms. A 15,000-room cap would cause extreme disruption because 28,000 private rooms already have been approved, residents are occupying them, and in the case of Medicaid residents, SNFs across the state are billing for incentive payments. How would ODM decide which approvals to cancel? What would happen to Medicaid residents in those rooms? What about the provider, who may have given up licensed beds or incurred renovation cost to create the private rooms?

The amendment would avoid the negative consequences of abruptly reversing the policy of encouraging private rooms six months after it began by removing the 15,000-room cap and restoring the \$160 million limit. The amendment is budget neutral. For SNF residents, it would be very positive because it would maintain access to private rooms. In addition, the amendment would revise current law to allow ODM to approve private rooms in SNFs that add beds through the certificate of need process (which ensures no increase in statewide bed capacity), so long as there is still space under the dollar cap.

The amendment does not require any change in appropriations.