

Meeting summary for OHCA NF Member Call (06/17/2025)

Quick recap

The meeting began with discussions about scheduling and recent lobbying efforts on Capitol Hill regarding Medicaid issues, followed by updates on state and federal budget processes. Debbie provided details on state budget developments and Medicaid payment matters, while Pete covered federal budget reconciliation and tax implications for Ohio. The conversation ended with a discussion on regulatory challenges and the slow progress of deregulation efforts, particularly regarding COVID-19 guidelines and agency reviews.

Next steps

- [OHCA team to continue monitoring and updating members on the state budget process, including any changes during Conference Committee and potential vetoes by the Governor.](#)
- [OHCA team to form a sub-workgroup of the billing committee to compile examples of aging issues and receivables resulting from Medicaid reconciliation process.](#)
- [OHCA team to continue working with the Department of Medicaid to ensure system data accuracy before initiating recoupments.](#)
- [OHCA team to monitor and update members on the federal budget reconciliation process, particularly regarding provider taxes and potential impacts on Medicaid funding.](#)
- [OHCA team to continue submitting comments and feedback to CMS and other federal agencies regarding regulatory relief efforts.](#)

Summary

Budget Updates and Lobbying Discussion

The meeting began with a discussion about setup and scheduling, noting that the call was rescheduled to 2 PM due to other commitments. Debbie and Pete mentioned their recent lobbying efforts on Capitol Hill regarding Medicaid issues. Debbie was set to lead the discussion on state budget updates, while Pete would cover federal budget reconciliation, aiming to mix up the meeting format. Debbie reported that the Senate had passed their version of the State Budget House Bill 96, with some changes since the last meeting.

PDPM Rate Setting and Transition

Debbie discussed the technical amendments for Pdp, including the addition of a conversion factor to address the difference in scores between Pdp and RUGs, which was approved. She also explained the changes to the rate-setting process for July 1, 2025, and the transition to Pdp starting January 1, 2026. Debbie noted that while the Senate and House versions of the bill contain similar language, the final version may still change during the conference committee process, with floor votes expected next Wednesday. She advised providers to prepare for potential changes and emphasized that nothing is final until the governor signs the bill.

Medicaid Payment Reconciliation Updates

Debbie introduced Erin to provide updates on Medicaid items. Erin explained that she reviewed language related to dialysis payments and concluded it likely represents an add-on payment to dialysis providers rather than SNFs, as it's based on per treatment rather than per diem. Erin also discussed ongoing efforts to reconcile Medicaid payments from March to May, highlighting issues with new credits, balances, and overpayments. She mentioned creating a sub-workgroup to address these concerns and working with Medicaid to ensure accurate data before initiating further reconciliations. Lastly, Erin noted recent payment delays for some providers and expressed concern about the inconsistency in the payment schedule, as Medicaid did not issue a new payment calendar this year.

Federal Budget Process Update

Pete provided an update on the federal budget process, explaining that the House and Senate are working on their respective versions of the bill, with the Senate Finance Committee releasing a significant piece focused on Medicaid and tax changes. He highlighted two key issues in the House version: a proposed moratorium on provider tax rate increases and concerns about the managed care tax in Ohio, which has a significant impact on the budget. Pete also mentioned that Debbie will now handle federal budget updates, while he will focus on state budget updates.

Ohio Tax Rate Reduction Concerns

Pete explained the status of the hospital tax and managed care tax in Ohio. The House version grandfathered in existing tax rates, but the Senate finance version only provides grandfathering for non-expansion states, which poses a problem for Ohio. The Senate version includes a step-down schedule for provider tax rates, starting in FY2027, that would reduce the maximum rate to 3.5% by FY2031. Pete noted that the skilled nursing tax and ICF tax would be exempt from these rate reductions, but the hospital and managed care taxes would not.

Medicaid Budget Unwinding Challenges

Pete expressed concerns about the viability of unwinding the hospital package, which includes the provider tax increase, the 340B program, and self-directed state payments, as it could disrupt the entire Medicaid budget. He noted that the Senate Finance Committee's version of the bill includes controversial elements that may not align with the House's version, making it unclear how to reassemble the "jigsaw puzzle" to secure votes by July 4th. Debbie added that the Senate Finance Committee's language seemed to emphasize treating certain programs as separate from Medicaid, which could complicate the process further.

Medicaid Expansion and Regulatory Updates

Debbie explained differences in Medicaid expansion and non-expansion populations between House and Senate versions, noting a reduction in retroactive eligibility from three months to one month for expansion

populations, while non-expansion populations would see a reduction to two months. Pete confirmed that comments were submitted to CMS regarding regulatory relief, including topics like EBP, and mentioned another RFI due in mid-July that would allow for broader input on Medicaid and Medicare topics.

Deregulation Progress Remains Slow

Pete and Debbie discussed the slow progress of deregulation efforts, noting that the sheer volume of feedback and the need for agency review would delay results for several months. They highlighted that while the government is sincere about deregulation, specific regulations like COVID-19 guidelines remain unchanged, despite personnel cuts at the CDC that have impacted the ability to revise these guidelines. Both agreed that while deregulatory actions are being considered, agencies will likely be cautious and thorough in their reviews, making significant changes unlikely in the near term.

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