

Private Room Incentive Payment

December 12, 2023

The Basics

- Prescribed [by statute](#) as part of HB 33 (budget bill)
- Incentive payment for Medicaid residents housed in private rooms
 - \$20/day for category 2 private rooms, \$30/day for category 1 private rooms
 - Add-on to regular rate
- Subject to CMS approval
 - CMS encouraged Medicaid agencies in August 2022 to provide Medicaid payment for private rooms
 - CMS did not give any details on how the payment should be structured or which patients and rooms would qualify
- ODM must approve private rooms as meeting the applicable criteria

The Timing

- Statute provides that incentive payments start the *later* of 6 months after CMS approval or the effective date of ODM rules for the program
- The *earliest* effective date was stated as 4/1/2024, but that is not possible now
- CMS has not approved the Ohio program
- ODM has not submitted a state plan amendment (SPA) to CMS for approval and has not shared an expected date for submission
- CMS normally has 90 days to approve a SPA, but can extend that time
- Ohio's private room plan is trailblazing, so CMS may take longer than 90 days

The Definitions

- Private room = bedroom that meets all of the following criteria
 - Has four permanent, floor-to-ceiling walls and a full door
 - Contains one licensed or certified bed occupied by one individual
 - Has access to a hallway without traversing another bedroom
 - Has access to a toilet and sink shared by not more than one other resident without traversing another bedroom
 - Meets all applicable standards pertaining to furniture, fixtures, and temperature control
- Category 1 = private room with unshared access to toilet and sink
- Category 2 = private room with shared access to toilet and sink

Criteria for Private Room Approval

- Must meet the definition of a private room
- Must be one of the following:
 - In existence as a private room on 7/1/2023, if all beds in facility are in service
 - Made into a private room by surrendering licensed beds after 7/1/2023 (giving up certification if a non-licensed facility)
 - Created by adding space to the facility or renovating non-bedroom space without increasing licensed bed capacity
 - In a facility licensed after July 1, 2023, if all licensed beds are in service on the application date or the private room was created by surrendering licensed beds
- ODM clarified that a provider does not need to surrender beds or complete renovations before applying for private room approval, but must do so before actual approval

Additional Qualifications

- Facility where the room is located must not be any of the following *at the time of application*:
 - One-star building
 - Special focus facility
 - Special focus candidate
- Statute is silent on events after the time of application
- Approval cannot cause the state to exceed the dollar limit

The Limit

- \$40 million for FY 2024 and \$160 million for FY 2025 *and subsequent fiscal years*
- The \$40 million is moot because the program will not start in FY 2024 (the money does not carry over)
- Limit applies to both approvals and spending
- For approvals, requires a projection of spending

Application Process

- ODM adopted [an emergency rule](#) that is limited to the application and approval process – more rules may be needed in the 6-month period after CMS approval
- ODM also sent out [an announcement](#) last week explaining the process
- Application will be via a survey, same as the election to freeze or not freeze CMI
- One survey for each facility (provider number)
- Applications open for category 1 private rooms 1/2/2024 at 8:00 a.m. (March 1 for category 2)
- More information to come; email address for questions:
NF_PrivateRoom@medicaid.ohio.gov

Required Application Contents

- List of all nursing facility rooms and their corresponding number of beds and showing which rooms will be designated as category one or two private rooms
- Floor plan of the entire facility showing private rooms by number and showing pathways to the bathroom and hall for each room by arrows
- Documentation that criteria for approval are met
- Attestation of accuracy
- ODM will check information submitted against ODH licensure data

Approval Process

- ODM will hold the applications until after CMS approves the program
- If there is a problem with an application, ODM will notify the provider and give them 10 business days to correct without losing their place in line
- In the event of a CHOP during the waiting period, the new operator maintains the previous operator's place in line so long as they attest to the application or submit any changes
- ODM may do a site visit
- ODM shall approve an application that meets the definition of a private room, unless any of the other criteria are not met

First-Come-First-Served Aspect

- Results from the dollar cap – ODM cannot approve an application that would be *projected* to exceed the cap
- Projection is based on 50% utilization of the private rooms by Medicaid patients (50% of licensed bed days), applied on an annualized basis
- If there are qualifying applications for more private rooms than the cap would allow, based on projected spending:
 - Category 1 rooms get priority
 - If there are too many category 1 rooms, they will be approved in the order submitted
 - If there is enough space within the cap to approve all category 1 rooms but not enough for all category 2 applications, the category 1 rooms all will be approved, but the category 2 rooms will be approved in the order submitted

How Likely Is It?

- Applying the cap
 - \$160 million = 5,333,333 days @ \$30/day
 - Using 50% utilization, that = 10,666,666 licensed bed days
 - Which = 29,233 category 1 private rooms
- There are approximately 82,000 licensed beds in Ohio
- There are approximately 227 one-star buildings comprising approximately 23,000 certified beds
- The cap is also on spending, so if utilization is greater than 50%, incentive payments could be shut off before the end of the FY

Subsequent Events

- Reconsideration of application denial, which is covered in ODM's rule
- Additional qualifications to retain private room incentive payment for FY 2026 and after:
 - Have policy to prioritize placement in a private room based on the medical and psychosocial needs of the resident
 - Participate in the ODA resident or family satisfaction survey