

Nursing Facility Private Room Incentive Overview

Background

The 2024-2025 biennium budget authorized the Ohio Department of Medicaid, upon CMS approval, to reimburse for private rooms at qualifying nursing facilities (NFs). Since the department currently does not reimburse nursing facilities extra for private rooms, this is a significant change in reimbursement policy.

House Bill 33 authorized up to \$40 million for state fiscal year 2024 and up to \$160 million for state fiscal year 2025 for Medicaid private room incentive payments over and above the NF's regular per diem rate based on the following two categories of beds:

- Category one private rooms are those rooms with a private bath meaning unshared access to toilet and sink: incentive payment is \$30 per day.
- Category two private rooms are those rooms with a bath shared with one other person: incentive payment is \$20 per day.

Effective Date

House Bill 33 stipulated that private room reimbursement would begin six months following CMS approval or on the effective date of the applicable departmental rules, whichever is later, but not sooner than April 1, 2024. Therefore, the department has prepared this overview of the private room incentive payment program in order to explain the details of the program and seek CMS approval. As part of the approval process, the department will submit the related State Plan Amendment.

Application Process and Timeframe

The following application dates were mandated by House Bill 33:

- Applications for category one private rooms will be accepted beginning January 2024.
- Applications for category two private rooms will be accepted beginning March 2024, dependent on available funding.

The department issued public notices in June and July of 2023 and filed an emergency rule in November that outlined the application requirements. Multiple communications to all Medicaid nursing facilities and professional associations were distributed in December. An online application process was developed to begin accepting applications on January 2, 2024. Upon receipt, the department will review all applications and supporting information to determine if a facility meets the eligibility requirements outlined in the Ohio Revised Code to be eligible to receive the incentive payment for private rooms. Until ODM receives CMS approval of this private room incentive payment, all applications will be held in a pending status. Once CMS approval is received, eligible nursing facility applications will be approved in the order received until the funding limit is reached:

\$40 million in state fiscal year 2024 and \$160 million for state fiscal year 2025 and beyond. Additionally, the department reserves the right to conduct on-site facility inspections to verify that the rooms meet the specified requirements.

In projecting expenditures for private room incentive payments, the department shall use a Medicaid utilization percentage of fifty percent (50%). If the department determines that there are more approvable applications than can be accommodated within the applicable spending limit, the department will prioritize category one private rooms.

Criteria

As outlined in section 5165.158 of the Ohio Revised Code, private room incentive payments will only be available to nursing facilities that meet the following criteria:

1. Private rooms existing as of July 1, 2023, in facilities where all licensed beds are in service on the application date.
2. Private rooms created by surrendering licensed beds from the facility's licensed capacity, or, if the facility does not hold a license, surrendering beds that have been certified by CMS. Facilities in which beds are owned by a county and operated by an entity other than the county can meet this requirement by removing beds from service.
3. Private rooms created by adding or renovating space to the nursing facility, without increasing the total licensed bed capacity.
4. Private rooms in facilities licensed after July 1, 2023, and created by surrendering licensed beds from their licensed capacity.

Revised Code Quality Requirements

On the application date, the nursing facility may not be either:

- listed on Table A or Table D of the Special Focus Facility (SFF) list; or
- designated as having a one-star overall rating in the CMS nursing facility five-star quality rating system.

Additionally, beginning July 1, 2025, approved facilities must do both of the following to retain eligibility:

- have a policy in place to prioritize placement in a private room based on the medical and psychological needs of the resident; and
- participate in the resident or family satisfaction survey performed each year by the Ohio Long-Term Care Ombudsman Program.

Attachments:

- Federal Medicaid Notices
- Draft permanent rule: Nursing Facilities (NFs): private room incentive payment reimbursement