

NF Provider Communication

This communication serves as an update for all nursing facility providers regarding changes in reimbursement as a result of Am. Sub. H.B. 33, the states FY24-25 biennial budget.

July rates

- Rates calculated pursuant to Am. Sub. H.B. 33 will be effective July 1. Providers only need to submit one claim per Medicaid resident for the month of July.
- Occupancy is now incorporated into the quality add-on as well as the new low occupancy rate penalty. For both provisions, ODM will recalculate occupancy based on any bed license reductions before July 1. Ohio Department of Health (ODH) will provide ODM with this information by the end of next week (July 14th).
- Quality – given the quality add-on formula, ODM needs to know the re-calculated occupancy for any affected providers so that total points can be determined. Only then will ODM be able to set rates for all providers. There is nothing providers need to do at this point. ODM will obtain this information from Ohio Department of Health and then quickly finalize the rates.
- Low occupancy penalty – Am. Sub. H.B. 33 provides for an exemption from this penalty for any of the following circumstances:
 - County-owned nursing facility operated by another person;
 - New nursing facility that opened during calendar year (CY) 2022; or
 - Nursing facility that underwent a renovation during CY 2022 that involved at least \$150,000 expenditure (excluding equipment) AND beds were removed from service for at least 30 days.
 - Rate reconsideration (with applicable documentation) for any of these circumstances can be submitted to Joan.Schlagheck@medicaid.ohio.gov within 30 days of rate packages being posted to provider portal.

RUGs

- Ohio will continue to determine direct care rates using RUGs IV for this biennium. Given CMS changes for the MDS occurring October 1, 2023, RUGs case mix scores can only be calculated from the Optional State Assessments (OSAs) after October 1, 2023. Am. Sub. H.B. 33 added a provision in ORC 5165.192 that would allow providers to freeze their case mix for the biennium, thereby eliminating the need for OSAs.
 - ODM is working to develop an online reporting tool that would allow providers to submit their choice by the October 1 deadline. More information will be provided when it is ready. Each provider will be asked to choose whether to:
 - Continue to have quarterly RUGs scores which will require completion of OSAs, OR
 - Freeze the direct care rate using the quarterly case mix score from March 2023, thereby eliminating the need for OSAs.
 - Please keep in mind the following caveats:
 - Whatever choice is made, there is no statutory option for a reconsideration during the biennium. The decision will apply to the two years of the biennium, unless there are statutory changes in the meantime.

- If a provider chooses to freeze their direct care rate, March 2023 case mix scores will set the direct care rate for two years.
- If a provider chooses to freeze their direct care rate, any Medicaid resident that grouped into PA1-2 in the March 2023 quarterly report will remain at that level for the biennium. In addition, no new resident would be included in the facility case mix scores for the next two years.

Please submit any questions to MDSCaseMix@medicaid.ohio.gov.