

**METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES  
FOR NURSING FACILITIES**

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Reserve Page

1. Based on provider input, and other survey information, the estimated average hours of specialized care required by ventilator-dependent patients was 9 hours per day. Each caregiver time estimate within each task category was added together to arrive at a total time estimate to complete all identified tasks, which was 13.69 hours. The adjusted total caregiver cost is multiplied by the ratio of 9 hours divided by 13.69 hours to arrive at a specialized caregiver cost.
2. The total patient care cost from the most recently available NF cost reports was calculated. The total patient care costs include nursing personnel including nursing employee benefits, medical director including employee benefits, social and ancillary service personnel including employee benefits, contract nursing, other contract personnel, medical equipment, dietary, drugs and medical supplies.
3. The difference between 24 hours and the estimated average hours of specialized care required by ventilator-dependent patients (9 hours) is divided by 24 hours. It is then multiplied by the total patient care cost which is then added to the specialized caregiver cost to arrive at the total 24 hour cost of patient care.
4. Five percent of the total patient care cost will be allowed for the additional cost of medical supplies not reimbursed by Medicare. A \$4.00 per day adjustment will be allowed for nutritional therapy. Both additional costs are added back into the total 24 hour cost of patient care.
5. The difference between the total 24 hour cost of patient care (step 6) and the total patient care cost (step 5) is the add-on for ventilator patients.
6. The add-on for ventilator patients was inflated to the midpoint of the rate year using the fourth quarter publication of the Data Resources Inc., (DRI) Nursing Facility Marketbasket Index's forecast.

Cost Report Requirements – Uniform cost reports will be required of each nursing facilities and the State will provide for periodic audits of such reports. Facilities will be required to submit a separate cost report for ventilator care.

Adjustments – The add-on rate will be inflated when standard NF rates are changed by the fourth quarter publication of the Data Resources Inc., (DRI) Nursing Facility Marketbasket Index's forecast to the midpoint of the State Fiscal Year of the rate change.

Revised 10-01-24

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**STANDARD NURSING FACILITY SERVING VENTILATOR-DEPENDENT PATIENTS (continued)**

Rate Determination (continued)

The add-on rate for nursing facility serving ventilator-dependent patients will be established prospectively according to the methods described above until a reimbursement rate can be derived from the cost reports which will reasonably reimburse the cost of an economic and efficient provider for ventilator patient care.

For the period beginning January 1, 2004, no adjustment will be made to the add-on.

For the rate period beginning July 1, 2006, the statewide add-on will be increased by 9.155%.

For the rate period beginning April 1, 2010, the statewide add-on will be decreased by 3.25%.

For the rate period beginning July 1, 2021, the statewide add-on will be increased by 37.81%.

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- ~~4. Based on provider input, and other survey information, the estimated average hours of specialized care required by ventilator dependent patients was 9 hours per day. Each caregiver time estimate within each task category was added together to arrive at a total time estimate to complete all identified tasks, which was 13.69 hours. The adjusted total caregiver cost is multiplied by the ratio of 9 hours divided by 13.69 hours to arrive at a specialized caregiver cost.~~
- ~~5. The total patient care cost from the most recently available NF cost reports was calculated. The total patient care costs include nursing personnel including nursing employee benefits, medical director including employee benefits, social and ancillary service personnel including employee benefits, contract nursing, other contract personnel, medical equipment, dietary, drugs and medical supplies.~~
- ~~6. The difference between 24 hours and the estimated average hours of specialized care required by ventilator dependent patients (9 hours) is divided by 24 hours. It is then multiplied by the total patient care cost which is then added to the specialized caregiver cost to arrive at the total 24 hour cost of patient care.~~
- ~~7. Five percent of the total patient care cost will be allowed for the additional cost of medical supplies not reimbursed by Medicare. A \$4.00 per day adjustment will be allowed for nutritional therapy. Both additional costs are added back into the total 24 hour cost of patient care.~~
- ~~8. The difference between the total 24 hour cost of patient care (step 6) and the total patient care cost (step 5) is the add-on for ventilator patients.~~
- ~~9. The add-on for ventilator patients was inflated to the midpoint of the rate year using the fourth quarter publication of the Data Resources Inc., (DRI) Nursing Facility Marketbasket Index's forecast.~~

~~Cost Report Requirements – Uniform cost reports will be required of each nursing facilities and the State will provide for periodic audits of such reports. Facilities will be required to submit a separate cost report for ventilator care.~~

~~Adjustments – The add-on rate will be inflated when standard NF rates are changed by the fourth quarter publication of the Data Resources Inc., (DRI) Nursing Facility Marketbasket Index's forecast to the midpoint of the State Fiscal Year of the rate change.~~

**STANDARD NURSING FACILITY SERVING ACUTE TRACHEOSTOMY RESIDENTS**

A statewide enhanced reimbursement rate for nursing facilities (NFs) serving acute tracheostomy residents shall be established for the rate period beginning October 1, 2024 and reviewed, at a minimum, annually on July 1.

Definitions – Reimbursement is limited to the average standard rate paid to NFs serving adults, plus an enhancement for Acute Tracheostomy residents. The enhanced payment of \$144.79 is an amount reflecting the additional costs of meeting the specialized care needs of Acute Tracheostomy residents. To qualify for the enhanced payment, a facility must (1) not have a waiver under Section 1919(b)(4)(C)(ii) of the Social Security Act, and (2) submit a treatment plan and most recent doctor's orders and/or hospital discharge summary to the Oklahoma Health Care Authority for prior authorization.

Rate Determination – The add-on rate is determined as follows:

1. The Acute Tracheostomy add-on rate is determined using cost data provided by nursing facilities serving acute tracheostomy residents. The add-on rate for acute tracheostomy care is the difference between the total cost per day for tracheostomy care and the average standard rate paid to NFs serving adults.
2. The total cost per day for acute tracheostomy care is the sum of four components. These components include Direct Care and Allied Staff Costs, Social and Support Staff Costs, Cost of Drugs, Medical Supplies/Rentals, and General and Administrative Costs.

**Direct Care and Allied Staff Costs:** These costs are associated with the staff needed to meet the care needs of acute tracheostomy residents, which may include an RN, LPN, RT, etc. It is estimated that 2.47 additional direct care and allied staff hours per day are needed to care for acute tracheostomy residents.

**Social and Support Staff Costs:** These costs are associated with the staff needed to help residents meet their social and activity needs, this may include Social Services Staff, Activities Staff, etc. It is estimated that 0.24 additional Social and Support Staff hour per day is needed to care for acute tracheostomy residents.

**Cost of Drugs, Medical Supplies/Rentals:** These are the cost of drugs, medical supplies/rentals needed to care for acute tracheostomy residents.

**General and Administrative Costs:** These are total General and Administrative Costs attributable to acute tracheostomy care.

Cost Report Requirements – Uniform cost reports will be required of each nursing facility and the state will perform periodic audits of such reports. Facilities will be required to submit a separate cost report for Acute Tracheostomy care.

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~~STANDARD NURSING FACILITY SERVING VENTILATOR DEPENDENT PATIENTS (continued)~~~~Rate Determination (continued)~~

~~The add-on rate for nursing facility serving ventilator dependent patients will be established prospectively according to the methods described above until a reimbursement rate can be derived from the cost reports which will reasonably reimburse the cost of an economic and efficient provider for ventilator patient care.~~

~~For the period beginning January 1, 2004, no adjustment will be made to the add-on.~~

~~For the rate period beginning July 1, 2006, the statewide add-on will be increased by 9.155%.~~

~~For the rate period beginning April 1, 2010, the statewide add-on will be decreased by 3.25%.~~

~~For the rate period beginning July 1, 2021, the statewide add-on will be increased by 37.81%.~~

**STANDARD NURSING FACILITY SERVING ACUTE TRACHEOSTOMY RESIDENTS PATIENTS (continued)**Acute Tracheostomy Care Criteria

All of the following criteria must be present in order to be considered a high-acuity tracheostomy resident:

1. The resident is not able to breathe without the use of a tracheostomy.
2. The resident requires daily respiratory therapy intervention (i.e., oxygen therapy, tracheostomy care, chest physiotherapy, or deep suctioning). These services must be available 24 hours a day.
3. A Registered Nurse or Licensed Practical Nurse must be readily available and have primary responsibility of the unit.

In addition to the requirements above, high-acuity tracheostomy residents will need to meet at least one of the following:

1. The resident has a Brief Interview for Mental Status (BIMS) Interview score between 0-12 (moderately to severely impaired).
2. The resident sees a pulmonologist monthly and a respiratory therapist at least once every other week, with a respiratory therapist available on call 24 hours a day.
4. The resident is nonverbal, comatose, or in a vegetative state.
3. The resident has a contractures diagnosis that results in limited mobility.
5. The resident requires total dependency from staff with all aspects of daily care.
6. The resident is unable to suction themselves.
7. The resident requires tracheostomy deep suctioning at an increased frequency of at least 10 times daily due to thick, copious amounts of secretions.
8. The resident is unable to clear their own secretions and protect their airway.
9. The resident has been diagnosed with a progressive neurological disorder that results in muscle weakness; this includes, but is not limited to, Amyotrophic Lateral Sclerosis (ALS), Multiple Sclerosis (MS), Alzheimer's, head injuries, or Cerebrovascular Accident (CVA).

10. The resident requires 5 L/min of oxygen or greater than 40% Fraction of Inspired Oxygen (FIO2).
11. The resident requires breathing treatments that are at an increased frequency of three or more times daily.
12. The resident has an artificial opening in the neck for the tracheostomy, and an artificial opening in the abdomen for a gastrostomy tube.
13. The resident has multiple co-morbidities, resulting in demonstrative complications.

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