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

STANDARD NURSING FACILITIES SERVING ADULTS (continued)**B. RATE SETTING PROCESS**

Beginning July 1, 2007, the Oklahoma Health Care Authority uses the following method to adjust rates of payment for nursing facilities:

1. DEFINITIONS:

Base Rate Component is the rate in effect on June 30, 2005, defined as \$103.20 per day. Included in the base rate is the QOC Fee. Any changes to the base rate will be made through future Plan changes if required. For the rate period beginning September 01, 2012, the base rate will be \$106.29. For the rate period beginning July 1, 2013, the base rate will be \$107.24. For the rate period beginning July 1, 2016, the base rate will be \$107.57 per patient day. For the rate period beginning July 1, 2017, the base rate will be \$107.79 per patient day. For the rate period beginning July 1, 2018, the base rate will be \$107.98 per patient day. For the rate period beginning October 1, 2018, the base rate will be \$108.12 per patient day. For the rate period beginning July 1, 2019, the base rate will be \$108.31 per patient day. For the rate period beginning October 1, 2019, fifty percent (50%) of new funding shall be allocated toward an increase of the existing base rate and distributed accordingly. For the rate period beginning October 1, 2019, the base rate will be \$120.57 per patient day. For the rate period beginning July 1, 2020, the base rate will be \$121.30 per patient day. For the rate period beginning July 1, 2021, the base rate will be \$123.22 per patient day. For the rate period beginning July 1, 2022, the base rate will be \$123.47 per patient day. For the rate period beginning July 1, 2023, the base rate will be \$158.56 per patient day. For the rate period beginning July 1, 2024, the base rate will be \$158.78 per patient day. For the rate period beginning July 1, 2025, the base rate will be \$159.56 per patient day.

Direct Care Cost Component is defined as the component established based on each facilities' relative expenditures for Direct Care which are those expenditures reported on the annual costs reports for salaries (including professional fees and benefits), for registered nurses, licensed practical nurses, nurse aides, and certified medication aides.

Other Cost Component is defined as the component established based on monies available each year for all costs other than direct care and incentive payment totals, i.e., total allowable routine and ancillary costs (including capital and administrative costs) of nursing facility care less the Direct Care Costs and incentive payment totals.

Incentive Rate Component is defined as the component earned each quarter under the Pay-for-Performance (PFP) program.

Rate Period is defined as the period of time between rate calculations.

2. GENERAL:

The estimated total available funds will include the estimated savings or loss to the program as a result of the automatic cost of living adjustment on Social Security benefits as published in the federal register and the resulting effect to the spend-down required of the recipients. For Regular Nursing facilities, the effect is \$.32 per day for each one (1) percent change in the SSI determined from the average effect of SSI increases from CY 2004 to CY 2009.

Individual rates of payment will be established as the sum of the Base Rate plus add-ons for Direct Care, Other Costs, and the Pay-for-Performance (PFP) Quality of Care Rating System.

**METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES
FOR NURSING FACILITIES****STANDARD NURSING FACILITIES SERVING ADULTS** (continued)

For new facilities beginning operations in the current rate period, the rate will be the median of those established rates for the year.

For the rate period beginning 01/01/12, the total available pool amount for establishing the rate components described in 1 and 2 is \$102,318,569.

For the rate period beginning 09/01/12, the total available pool amount for establishing the rate components described in 1 and 2 is \$147,230,204.

For the rate period beginning 07/01/13, the total available pool amount for establishing the rate components described in 1 and 2 is \$162,205,189.

For the rate period beginning 07/01/14, the total available pool amount for establishing the rate components described in 1 and 2 is \$158,391,182.

For the rate period beginning 07/01/16, the total available pool amount for establishing the rate components described in 1 and 2 is \$158,741,836.

For the rate period beginning 07/01/17, the total available pool amount for establishing the rate components described in 1 and 2 is \$160,636,876.

For the rate period beginning 07/01/18, the total available pool amount for establishing the rate components described in 1 and 2 is \$158,938,847.

For the rate period beginning 10/01/18, the total available pool amount for establishing the rate components described in 1 and 2 is \$174,676,429.

For the rate period beginning 07/01/19, the total available pool amount for establishing the rate components described in 1 and 2 is \$186,146,037.

For the rate period beginning 10/01/19, the total available pool amount for establishing the rate components described in 1 and 2 is \$220,482,316.

For the rate period beginning 07/01/20, the total available pool amount for establishing the rate components described in 1 and 2 is \$250,302,699.

For the rate period beginning 07/01/21, the total available pool amount for establishing the rate components described in 1 and 2 is \$251,196,155.

For the rate period beginning 07/01/22, the total available pool amount for establishing the rate components described in 1 and 2 is \$242,806,077.

For the rate period beginning 07/01/23, the total available pool amount for establishing the rate components described in 1 and 2 is \$251,077,470.

For the rate period beginning 07/01/24, the total available pool amount for establishing the rate components described in 1 and 2 is \$351,403,013.

For the rate period beginning 07/01/25, the total available pool amount for establishing the rate components described in 1 and 2 is \$369,759,658.

3. Since July 1, 2007, Nursing Facilities Serving Adults and AIDS Patients have been able to earn additional reimbursement for "points" earned in an Oklahoma Quality Rating Program. This program, which was originally called "Focus on Excellence," was revised by statute in 2019, and is now called "Pay-for-Performance".

Pay-for-Performance (PFP) Program

For the period beginning October 1, 2019 and until changed by amendment, qualifying facilities participating in the pay-for-performance program have the potential to earn an average of the \$5.00 quality incentive per Medicaid patient per day. Facility(s) baseline is calculated annually and will remain the same for a 12-month period. Facility(s) will meet or exceed five-percent (5%) relative improvement or the CMS national average each quarter for the following metrics:

- (1) Decrease percent of high risk/unstageable pressure ulcer for long stay residents;
- (2) Decrease percent of unnecessary weight loss for long stay residents;
- (3) Decrease percent of use of anti-psychotic medications for long stay residents; and
- (4) Decrease percent of urinary tract infection for long stay residents.

If either quality metric listed above is substituted or removed by CMS; an alternative CMS Long Stay quality metric may be chosen.

Payment to nursing facilities for meeting the metrics will be awarded quarterly as follows:

- A facility may earn a minimum of \$1.25 per Medicaid patient per day for each qualifying metric.
- A facility receiving a scope and severity tag deficiency of "I" or greater from the Oklahoma State Department of Health will forfeit the PFP incentive for the quarter out of compliance.
- Funds that remain as a result of payment not earned, shall be pooled and redistributed to facilities who achieve the metrics each quarter based on facilities' individual performance in the PFP program.

Revised 07-01-25

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

STANDARD NURSING FACILITY SERVING AIDS PATIENTS *(continued)***B. RATE SETTING PROCESS****1. DEFINITIONS AND METHODOLOGY**

Base Rate Component is the rate component representing the allowable cost of the services rendered in an AIDS nursing facility and for the period beginning November 1, 2010 is \$178.64, the difference in the costs reported for aids facilities and regular nursing facilities plus the average rate for November 1, 2010 for regular nursing facilities, not including the incentive payment component (\$193.79 less \$138.17 plus \$123.02); or \$178.64 per patient day. For the rate period beginning September 1, 2012, the Base Rate Component will be \$192.50. For the rate period beginning July 1, 2013, the Base Rate Component will be \$196.95. For the rate period beginning July 1, 2014, the Base Rate Component will be \$197.49. For the rate period beginning July 1, 2016, the Base Rate Component will be \$199.19 per patient day. For the rate period beginning July 1, 2017, the Base Rate Component will be \$200.01 per patient day. For the rate period beginning July 1, 2018, the Base Rate Component will be \$201.32 per patient day. For the rate period beginning October 1, 2018, the Base Rate Component will be \$207.86 per patient day. For the rate period beginning July 1, 2019, the Base Rate Component will be \$209.50 per patient day. For the rate period beginning October 1, 2019, the Base Rate Component will be \$213.10 per patient day. For the rate period beginning July 1, 2020, the Base Rate Component will be \$215.00 per patient day. For the rate period beginning July 1, 2021, the Base Rate Component will be \$224.05 per patient day. For the rate period beginning July 1, 2022, the Base Rate Component will be \$229.76 per patient day. For the rate period beginning July 1, 2023, the Base Rate Component will be \$265.16 per patient day. For the rate period beginning July 1, 2024, the Base Rate Component will be \$286.32 per patient day. For the rate period beginning July 1, 2025, the Base Rate Component will be \$290.07 per patient day.

- (A) 56 Okla. Stat. § 2002 requires that all licensed nursing facilities pay a statewide average per patient day *Quality of Care assessment fee* based on maximum percentage allowed under federal law of the average gross revenue per patient day. Gross revenues are defined as Gross Receipts (i.e., total cash receipts less donations and contributions). *The assessment is an allowable cost as it relates to Medicaid services and a part of the base rate component.*

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

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 is an amount reflecting the additional costs of meeting the specialized care needs of Acute Tracheostomy residents who are medically fragile and require close monitoring and advanced respiratory support. 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 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.

Payment Rates

For the rate period beginning October 1, 2024, the enhanced payment shall be \$144.79. During the period of January 1, 2025, through June 30, 2025, the enhanced payment shall be increased to \$339.58

For the rate period beginning July 1, 2025, the enhanced payment shall be \$144.79.

Revised **07-01-25**

TN# **25-0011**

Approval Date

Effective Date **07-01-25**

Supersedes TN # **24-0019**

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

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.~~
- ~~3. The resident is nonverbal, comatose, or in a vegetative state.~~
- ~~4. 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.~~

(Reserve Page)

Revised 07-01-25TN# 25-0011

Approval Date

Effective Date 07-01-25Supersedes TN # 24-0019

**METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES
INTERMEDIATE CARE FACILITIES FOR INDIVIDUALS WITH INTELLECTUAL DISABILITIES**

**STANDARD PRIVATE INTERMEDIATE CARE FACILITIES FOR INDIVIDUALS WITH INTELLECTUAL DISABILITIES
(ICFs/IID) (continued)**

A. COST ANALYSES (continued)

4. RATE ADJUSTMENTS BETWEEN REBASING PERIODS

Beginning January 1, 2010, the rates will be adjusted annually on January 1, in an amount equal to the estimated savings or loss to the program as a result of the automatic cost of living adjustment on Social Security benefits as published in the Federal Register and the resulting effect to the spend-down required of the recipients. The estimated total funds will include the estimated savings or loss to the program as a result of the automatic cost of living adjustment on Social Security benefits as published in the federal register and the resulting effect to the spend-down required of the recipients. For Standard Private Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICFs/IID) the effect is \$.22 per day for each one (1) percent change in the SSI determined from the average effect of SSI increases from CY 2004 to CY 2009.

For the rate period beginning July 1, 2006, the statewide rate will be increased by 10.32%.

For the rate period beginning July 1, 2008, the statewide rate will be increased by 4.57%.

For the rate period beginning April 1, 2010, the statewide rate will be decreased by 2.81%.

For the rate period beginning September 1, 2012, the statewide rate will be increased by 1.93%.

For the rate period beginning July 1, 2013, the statewide rate will be increased by 0.56%.

For the rate period beginning July 1, 2016, the statewide rate will be increased by 0.2951%, resulting in a rate of \$122.32 per patient per day.

For the rate period beginning July 1, 2017, the statewide rate will be increased by 0.3104%, resulting in a rate of \$122.77 per patient per day.

For the rate period beginning October 1, 2018, the statewide rate will be increased by 3.47%, resulting in a rate of \$127.49 per patient per day.

For the rate period beginning July 1, 2020, the statewide rate will be increased by 0.2024% resulting in a rate of \$128.72 per patient per day.

For the rate period beginning July 1, 2021, the statewide rate will be increased by 0.6046% resulting in a rate of \$129.79 per patient per day.

For the rate period beginning July 1, 2022, the statewide rate will be increased by 3.45% resulting in a rate of \$135.61 per patient per day.

For the rate period beginning July 1, 2023, the statewide rate will be increased by 12.36% resulting in a rate of \$154.53 per patient per day.

For the rate period beginning July 1, 2024, the statewide rate will be increased by 9.80% resulting in a rate of \$170.44 per patient per day.

For the rate period beginning July 1, 2025, the statewide rate will be increased by 0.8698% resulting in a rate of \$172.48 per patient per day.

**METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES
INTERMEDIATE CARE FACILITIES FOR INDIVIDUALS WITH INTELLECTUAL DISABILITIES**

SPECIALIZED PRIVATE ICFs/IID 16 BED OR LESS**A. COST ANALYSES** *(continued)***4. RATE ADJUSTMENTS BETWEEN REBASING PERIODS**

Beginning January 1, 2010, the rates will be adjusted annually on January 1, in an amount equal to the estimated savings or loss to the program as a result of the automatic cost of living adjustment on Social Security benefits as published in the Federal Register and the resulting effect to the spend-down required of the recipients. The estimated total funds will include the estimated savings or loss to the program as a result of the automatic cost of living adjustment on Social Security benefits as published in the federal register and the resulting effect to the spend-down required of the recipients. For Specialized Private Intermediate Care Facilities for Individuals with Intellectual Disabilities 16 Bed or Less, the effect is \$.20 per day for each one (1) percent change in the SSI determined from the average effect of SSI increases from CY 2004 to CY 2009.

For the rate period beginning July 1, 2006, the statewide rate will be increased by 10.90%.

For the rate period beginning July 1, 2008, the statewide rate will be increased by 3.90%

For the rate period beginning April 1, 2010, the statewide rate will be decreased by 2.93%.

For the rate period beginning September 1, 2012, the statewide rate will be increased by 1.86%.

For the rate period beginning July 1, 2013, the statewide rate will be increased by 0.30%.

For the rate period beginning July 1, 2016, the statewide rate will be increased by 0.2048%, resulting in a rate of \$156.51 per patient per day.

For the rate period beginning July 1, 2017, the statewide rate will be increased by 0.2937%, resulting in a rate of \$157.03 per patient per day.

For the rate period beginning October 1, 2018, the statewide rate will be increased by 3.56%, resulting in a rate of \$163.04 per patient per day.

For the rate period beginning July 1, 2020, the statewide rate will be increased by 0.0122% resulting in a rate of \$163.94 per patient per day.

For the rate period beginning July 1, 2021, the statewide rate will be increased by 0.2557% resulting in a rate of \$164.62 per patient per day.

For the rate period beginning July 1, 2022, the statewide rate will be increased by 0.4885% resulting in a rate of \$166.61 per patient per day.

For the rate period beginning July 1, 2023, the statewide rate will be increased by 10.49% resulting in a rate of \$186.00 per patient per day.

For the rate period beginning July 1, 2024, the statewide rate will be increased by 10.39% resulting in a rate of \$206.02 per patient per day.

For the rate period beginning July 1, 2025, the statewide rate will be increased by 1.37% resulting in a rate of \$209.36 per patient per day.

The state has a public process in place which complies with the requirements of Section 1902(a)(13)(A) of the Social Security Act.