Rates & Standards
June 2015
Regular Nursing Facilities

1. **Is this a rate change or a method change?**
   Rate change

1b. **Is this change an increase, decrease or no impact?**
   Increase

2. **Presentation of Issue:**
   The change is made to increase the Quality of Care Fee for Regular Nursing Facilities in the amount of five cents per HB2270. These changes allow the OHCA to collect additional fees and match them through rate increases to providers.

   The change is made to reflect adherence to the State Plan methodology for reallocation of Direct Care Costs and changes to the Direct Care Cost Component Pool as a result in the decline in Medicaid days.

3. **Current Methodology/Rate Structure:**
   The current rate methodology calls for the establishment of a prospective rate which consists of the following four components:
   (A) A Base Rate Component defined as $107.24 per day.
   (B) A Focus on Excellence (FOE) Component defined by the points earned under this performance program as defined in the state plan. The bonus component paid may be from $1.00 to $5.00 per day based on points earned.
   (C) An Other Component which is defined as the per day amount derived from dividing 30% of the pool of funds available after meeting the needs of the Base and FOE Components by the total estimated Medicaid days for the rate period.
   (D) A Direct Care Component which is defined as the per day amount derived from allocating 70% of the pool of funds available after meeting the needs of the Base and FOE Components to the facilities. This component is determined separately and is different for each facility. The method (as approved in the State Plan) allocates the 70% pool funds to each facility (on a per day basis) based on their relative expenditures for direct care.

4. **New methodology or rate:**
   There is no change in methodology; however there is a rate change as a result of the annual recalculation of the QOC fee and reallocation of Direct Care Cost per State Plan.

5. **Budget Estimate:**
   The annual budget will increase by an estimated $833,616 funded by $322,443 in state funds coming from the increased QOC Fee collections and the federal matching funds of $511,173.

6. **Estimated impact on access to care:**
   The agency does not anticipate this change will impact access to care.

7. **Requested changes:**
   The agency requests approval of these changes in the state plan to implement the following:
   - ***Base Rate*** - increase the base rate component from $107.24 to $107.29 which matches the increase in the Quality of Care Fee of $0.05 ($10.74 to $10.79).
   - ***Pool Amount*** – decrease the pool amount in the state plan for the "Other" and "Direct Care" Components from $158,391,182 to $155,145,293 to account for the decrease in days.

6. **Effective Date of Change:** July 1, 2015