

**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.

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 Focus on Excellence 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 incentive add-on earned under the Oklahoma Focus on Excellence Quality of Care Rating System.

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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.

3. As of July 1, 2007 Nursing Facilities Serving Adults and Aids Patients were/are able to earn additional reimbursement for "points" earned in the Oklahoma Focus on Excellence Quality Rating Program.

For the period beginning 07-01-07, facilities participating in the Focus on Excellence Program will receive an incentive component equal to one (1) percent of the sum of the Base Rate component plus the Other Component as defined above in this section. Participation is defined as having signed a contract amendment agreeing to participate and successfully remanding the required monthly data entry and annual surveys by the required time. Incomplete submissions and non-submissions are a breach and the facility will not receive bonus payments for those Quality Measurements not reported or reported incompletely, the Oklahoma Health Care Authority will have the final determination if a disagreement occurs as to whether the facility has successfully submitted the required data and surveys.

For the period beginning 01-01-08, the reimbursement was set at the following levels:

Participation and/or 1 to 2 Points earned level:

The add-on is set at 1% of the sum of the Base Rate and the Other Component

3 to 4 points earned:

The add-on is set at 2% of the sum of the Base Rate and the Other Component

5 to 6 points earned:

The add-on is set at 3% of the sum of the Base Rate and the Other Component

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**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.

- (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.*

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