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.

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.

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 deficiency of "I" or greater related to a specific quality measure within the PFP Quality of Care Rating System is disqualified from receiving an award related to that PFP measure for that quarter.
- 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.

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.

(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

7. RATE ADJUSTMENTS BETWEEN REBASING PERIODS (continued)

Step Three: The Direct Care Pool of available funds will be divided by the aggregate estimated Medicaid Cost determined in step two to determine an add-on percent for Direct Care.

Step Four: The Direct Care add-on for each facility will be determined by applying the percent calculated in step three to each facility's per patient day Direct Care Value determined in step one.

Step Five: The sum of the Base Rate and add-ons for Direct Care and Other Costs will be the facility specific rate for the period. The only exceptions to this logic are for homes that do not file a report and for new homes established in the rate year. For homes not filing a cost report, the rate will be the sum of the base rate plus the Other Cost add-on, only. For new facilities beginning operations in the rate year, the rate will be the median of those established rates for the year.

(a) For the rate period beginning 7/1/05, the total funds available for establishing the pools in (a) and (b) is zero (0).

(b) For the rate period beginning 7/1/06, the total available pool amount for establishing rates as described in (a) and (b) is $71,396,300.

(c) For the rate period beginning 07-01-07 the total available pool amount for establishing annual rates as described in (a) and (b) is $99,275,444.

(d) For the rate period beginning 11/01/08, the total available pool amount for establishing the rate components described in (a) and (b) is $118,007,540.

(e) For the rate period beginning 01/01/10, the total available pool amount for establishing the rate components described in (a) and (b) is $115,979,147.

(f) For the rate period beginning 04/01/10, the total available pool amount for establishing the rate components described in (a) and (b) is $99,248,541.

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

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METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES FOR NURSING FACILITIES

7. RATE ADJUSTMENTS BETWEEN REBASING PERIODS (continued)

For the period beginning 07-01-07, facilities participating in the Focus on Excellence Program will receive a bonus equal to one percent (1%) 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 disagreement occurs as to whether the facility has successfully submitted the required data and surveys.

For the period beginning 01-01-08, the reimbursement is 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 plus the Other Component (as described in 7 above);

3 to 4 points earned level:
The add-on is set at 2% of the sum of the Base Rate plus the Other Component (as described in 7 above);

5 to 6 points earned level:
The add-on is set at 3% of the sum of the Base Rate plus the Other Component (as described in 7 above)

7 to 8 points earned level:
The add-on is set at 4% of the sum of the Base Rate plus the Other Component (as described in 7 above)

9 to 10 points earned level:
The add-on is set at 5% of the sum of the Base Rate plus the Other Component (as described in 7 above).

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METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES FOR NURSING FACILITIES

For the period beginning 07-01-2008, and thereafter the reimbursement is set at the following levels:

1 to two points earned level:
The add-on is set at 1% of the sum of the Base Rate plus the Other Component (as described in 7, above);
3 to 4 points earned level:
The add-on is set at 2% of the sum of the Base Rate plus the Other Component (as described in 7, above);
5 to 6 points earned level:
The add-on is set at 3% of the sum of the Base Rate plus the Other Component (as described In 7, above);
7 to 8 points earned level:
The add-on is set at 4% of the sum of the Base Rate plus the Other Component (as described in 7, above);
9 to 10 points earned level;
The add-on is set at 5% of the sum of the Base Rate plus the Other Component (as described In 7, above);

Points will be awarded for homes that meet or exceed the established threshold on a range of 10 quality measures. The Quality Metrics are:

1. Quality of Life: based on Annual Family & Resident Satisfaction Surveys,
2. Residential/Famlly Satisfaction: based on Annual Family & Resident Satisfaction Surveys,
3. Employee Satisfaction: based on Annual Survey of Employees of the Facility,
4. CNA/Nurse Assistant Turnover & Retention: based on monthly data collected from the providers,
5. Nurse Turnover & Retention: based on monthly data collected from the providers,
6. State Survey Compliance: based on the Standard Survey Results, including subsequent activity that results in F tag citations,
7. System-Wide Culture Change: based on Annual Employee Survey questions,
8. Clinical Measures: based on monthly reported measures of: (a) residents without falls, (b) residents without acquired catheters, (c) residents without acquired physical restraints, (d) residents without unplanned weight loss/gain and (e) residents without acquired pressure ulcers.
9. SoonerCare (Medicaid) Occupancy and Medicare Utilization: based on relative Medicaid and Medicare service days reported monthly.
10. Nursing Staffing per Patient Day: based on monthly reported direct care hours per patient day.

For the period beginning 07-01-2007 and until changed by amendment the established threshold for each metric above Is the median score.

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METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES FOR NURSING FACILITIES

For the period beginning 01-01-2010 and until changed by amendment the established thresholds for each measure are as follows:

1.	Quality of Life:	A score of 75.0 or better
2.	Resident/Family Satisfaction:	A Score of 72.0, or better
3.	Employee Satisfaction:	A score of 65.0, or better
4.	CNA/Nurse Assistant Turnover and Retention	A Score of 58.0, or better
5.	Nurse Turnover & Retention	A score of 60.0, or better
6.	System-wide Culture Change	A score of 72.0, or better
7.	Clinical Measures	A score of 58.0, or better
8.	SoonerCare Occupancy & Medicare Utilization	The Median Score, or better
9.	Nursing Staffing per patient Day	A score of 3.50, or better
10.	State Survey Compliance	

A point will be awarded when:

1. No citations were made as a result of the annual survey, and
2. any subsequent care-related scope/severity citations are “D” or less and
3. any subsequent non-care scope/severity citations are "E" or less.

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METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES
FOR NURSING FACILITIES

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%.

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 (ICF's/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.

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.

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