



STATE OF OKLAHOMA  
OKLAHOMA HEALTH CARE AUTHORITY

SPARC Agenda  
June 27, 2017  
1:00 PM  
OHCA Boardroom

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**Rate issues to be addressed:**

1. Regular Nursing Facilities Rates
2. Acquired Immune Deficiency Syndrome (AIDS) Rates for Nursing Facilities
3. Acute (16 Bed-or-Less) Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICF/IID) Rates
4. Regular (Greater than 16 Beds Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICF/IID) Rates

## REGULAR NURSING FACILITIES RATES

**1. IS THIS A RATE CHANGE OR A METHOD CHANGE?**

Rate Change

**2. IS THIS CHANGE AN INCREASE, DECREASE, OR NO IMPACT?**

Increase

The increase will have a zero dollar impact to Oklahoma Health Care Authority's (OHCA) budget as the state share that is being paid will come from the Providers by increasing the Quality of Care Fee.

**3. PRESENTATION OF ISSUE – WHY IS THIS CHANGE BEING MADE?**

The change is being made to increase the Quality of Care (QOC) Fee for Regular Nursing Facilities per 56 O.S. 2011, Section 2002.

This change allows OHCA to collect additional QOC fees from providers (also referred to as the state share) and match them with federal funds which provides rate increases to the facilities.

Additionally this will allow OHCA to calculate the annual reallocation of the pool for the "Direct" and "Other Care" components of the rate as per The State Plan.

**4. CURRENT METHODOLOGY AND/OR RATE STRUCTURE.**

The current rate methodology for Regular Nursing facilities calls for the establishment of a prospective rate which consists of four components. The current components are as follows:

- A. Base Rate Component is \$107.57 per patient day.
- B. A Focus on Excellence (FOE) Component defined by the points earned under this performance program ranging from \$1.00 to \$5.00 per patient day.
- 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 Component by the total estimated Medicaid days for the rate period.  
This component once calculated is the same for each facility.

**STATE PLAN AMENDMENT RATE COMMITTEE**

- 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 of funds to each facility (on a per day basis) based on their relative expenditures for direct care costs.

The current combined pool amount for “Direct Care” and “Other Component” is \$158,741,836 total dollars.

The current Quality of Care (QOC) fee is \$11.07 per patient day.

**5. NEW METHODOLOGY OR RATE STRUCTURE.**

There is no change in the methodology; however there is a proposed rate change for Regular Nursing facilities as a result of the required annual recalculation of the Quality of Care (QOC) fee and the annual reallocation of the pool for the “Direct” and “Other” Care components of the rate as per The State Plan.

The Base Rate Component will be \$107.79 per patient day.

The new combined pool amount for “Direct Care” and “Other Care” Component will be \$160,636,876 total dollars.

The new Quality of Care (QOC) fee will be \$11.29 per patient day.

**6. BUDGET ESTIMATE.**

The estimated budget impact for SFY2018 will be an increase in the total amount of \$3,329,018; with \$1,367,893 in state share coming from the increased QOC Fee (which is paid by the providers).

**7. AGENCY ESTIMATED IMPACT ON ACCESS TO CARE.**

The Oklahoma Health Care Authority does not anticipate any negative impact on access to care.

**8. RATE OR METHOD CHANGE IN THE FORM OF A MOTION.**

The Oklahoma Health Care Authority requests the State Plan Amendment Rate Committee to approve the following for Regular Nursing facilities:

- An increase in the base rate component from \$107.57 per patient day to \$107.79 per patient day.
- An increase in the combined pool amount for the “Other Care” and “Direct Care” Components from \$158,741,836 to \$ \$160,636,876 total dollars to account for the annual reallocation of the Direct Care Cost Component as per The State Plan.
- An increase in the Quality of Care fee from \$11.07 per patient day to \$11.29 per patient day which is paid by the providers.

**9. EFFECTIVE DATE OF CHANGE.**

July 1, 2017

## ACQUIRED IMMUNE DEFICIENCY SYNDROME (AIDS) RATES FOR NURSING FACILITIES

**1. IS THIS A RATE CHANGE OR A METHOD CHANGE?**

Rate Change

**2. IS THIS CHANGE AN INCREASE, DECREASE, OR NO IMPACT?**

Increase

The increase will have a zero dollar impact to OHCA's budget as the state share that is being paid will come from the Providers by increasing the Quality of Care Fee.

**3. PRESENTATION OF ISSUE – WHY IS THIS CHANGE BEING MADE?**

The change is being made to increase the Quality of Care (QOC) Fee for nursing facilities serving residents with AIDS per 56 O.S. 2011, Section 2002. This change allows the Oklahoma Health Care Authority (OHCA) to collect additional QOC fees from providers (also referred to as the state share) and match them with federal funds which provides rate increases to facilities.

**4. CURRENT METHODOLOGY AND/OR RATE STRUCTURE.**

The current rate methodology for nursing facilities serving residents with AIDS requires the establishment of a prospective rate which is based on the reported allowable cost per day.

The current rate for this provider type is \$199.29 per patient day.

The Quality of Care (QOC) fee is \$11.07 per patient day.

**5. NEW METHODOLOGY OR RATE STRUCTURE.**

There is no change in methodology; however there is a rate change for nursing facilities serving residents with AIDS as a result of the required annual recalculation of the Quality of Care (QOC) fee.

The rate for this provider type will be \$200.01 per patient day.

The recalculated Quality of Care (QOC) fee will be \$11.29 per patient day.

**6. BUDGET ESTIMATE.**

The estimated budget impact for SFY2018 will be an increase in the total amount of \$7,016; with \$2,883 in state share coming from the increased QOC Fee (which is paid by the facilities).

**7. AGENCY ESTIMATED IMPACT ON ACCESS TO CARE.**

The Oklahoma Health Care Authority does not anticipate any negative impact on access to care.

**8. RATE OR METHOD CHANGE IN THE FORM OF A MOTION.**

The Oklahoma Health Care Authority requests the State Plan Amendment Rate Committee to approve the following for nursing facilities serving residents with AIDS:

- An increase in the AIDS rate from \$199.29 per patient day to \$200.01 per patient day.
- An increase in the Quality of Care fee from \$11.07 per patient day to \$11.29 per patient day.

**9. EFFECTIVE DATE OF CHANGE.**

July 1, 2017

## ACUTE (16 BED-OR-LESS) INTERMEDIATE CARE FACILITIES FOR INDIVIDUALS WITH INTELLECTUAL DISABILITIES (ICF-IID) RATES

**1. IS THIS A RATE CHANGE OR A METHOD CHANGE?**

Rate Change

**2. IS THIS CHANGE AN INCREASE, DECREASE, OR NO IMPACT?**

Increase

The increase will have a zero dollar impact to OHCA's budget as the state share that is being paid will come from the Providers by increasing the Quality of Care Fee.

**3. PRESENTATION OF ISSUE – WHY IS THIS CHANGE BEING MADE?**

The change is being made to increase the Quality of Care (QOC) Fee for Acute ICF/IID Facilities per 56 O.S. 2011, Section 2002. This change allows the Oklahoma Health Care Authority (OHCA) to collect additional QOC fees from providers (also referred to as the state share) and match them with federal funds which provides rate increases to facilities.

**4. CURRENT METHODOLOGY AND/OR RATE STRUCTURE.**

The current rate methodology for Acute ICF/IID facilities requires the establishment of a prospective rate which is based on the reported allowable cost per day.

The current rate for this provider type is \$156.57 per patient day.

The Quality of Care (QOC) fee is \$9.31 per patient day.

**5. NEW METHODOLOGY OR RATE STRUCTURE.**

There is no change in methodology; however, there is a rate change for Acute ICF/IID facilities as a result of the required annual recalculation of the Quality of Care (QOC) fee.

The proposed rate for this provider type will be \$157.03 per patient day.

The recalculated Quality of Care (QOC) fee will be \$9.50 per patient day.

**6. BUDGET ESTIMATE.**

The estimated budget impact for SFY2018 will be an increase in the total amount of \$129,929; with \$53,388 in state share coming from the increased QOC Fee (which is paid by the facilities).

**AGENCY ESTIMATED IMPACT ON ACCESS TO CARE**

7. The Oklahoma Health Care Authority does not anticipate any negative impact on access to care.

**8. RATE OR METHOD CHANGE IN THE FORM OF A MOTION.**

The Oklahoma Health Care Authority requests the State Plan Amendment Rate Committee to approve the following for Acute ICF/IID facilities:

- An increase in the rate from \$156.57 per patient day to \$157.03 per patient day.
- An increase in the Quality of Care fee from \$9.31 per patient day to \$9.50 per patient day.

**9. EFFECTIVE DATE OF CHANGE.**

July 1, 2017



## REGULAR (GREATER THAN 16 BEDS) INTERMEDIATE CARE FACILITIES FOR INDIVIDUALS WITH INTELLECTUAL DISABILITIES (ICF-IID) RATES

**1. IS THIS A RATE CHANGE OR A METHOD CHANGE?**

Rate Change

**2. IS THIS CHANGE AN INCREASE, DECREASE, OR NO IMPACT?**

Increase

The increase will have a zero dollar impact to OHCA's budget as the state share that is being paid will come from the Providers by increasing the Quality of Care Fee.

**3. PRESENTATION OF ISSUE – WHY IS THIS CHANGE BEING MADE?**

The change is being made to increase the Quality of Care (QOC) Fee for Regular ICF/IID Facilities per 56 O.S. 2011, Section 2002. This change allows the Oklahoma Health Care Authority (OHCA) to collect additional QOC fees from providers (also referred to as the state share) and match them with federal funds which provides rate increases to facilities.

**4. CURRENT METHODOLOGY AND/OR RATE STRUCTURE.**

The current rate methodology for Regular ICF/IID facilities requires the establishment of a prospective rate which is based on the reported allowable cost per day.

The current rate for this provider type is \$122.39 per patient day.

The Quality of Care (QOC) fee is \$7.39 per patient day.

**5. NEW METHODOLOGY OR RATE STRUCTURE.**

There is no change in methodology; however there is a rate change for Regular ICF/IID facilities as a result of the annual recalculation of the Quality of Care (QOC) fee.

The proposed rate for this provider type will be \$122.77 per patient day.

The recalculated Quality of Care (QOC) fee will be \$7.54 per patient.

**6. BUDGET ESTIMATE.**

The estimated budget impact for SFY2018 will be an increase in the total amount of \$79,253; with \$32,565 in state share coming from the increased QOC Fee (which is paid by the facilities).

**7. AGENCY ESTIMATED IMPACT ON ACCESS TO CARE.**

The Oklahoma Health Care Authority does not anticipate any negative impact on access to care.

**8. RATE OR METHOD CHANGE IN THE FORM OF A MOTION.**

The Oklahoma Health Care Authority requests the State Plan Amendment Rate Committee to approve the following for Regular ICF/IID facilities:

- An increase in the rate from \$122.39 per patient day to \$122.77 per patient day.
- An increase in the Quality of Care fee from \$7.39 per patient day to \$7.54 per patient day.

**9. EFFECTIVE DATE OF CHANGE.**

July 1, 2017