



State Plan Amendment Rate Committee (SPARC)

Agenda

June 9, 2020

2:00 PM

Teleconference

Oklahoma City, OK

I. Welcome and Roll Call: **Chair, Josh Richards**

This meeting will occur via teleconference, but certain OHCA staff will be present at the OHCA building at 4345 N. Lincoln Blvd., Oklahoma City, OK 73105. All Committee members will participate in the teleconference from a remote location. Due to the COVID-19 outbreak and the CDC's recommendation, anyone wanting to attend this public teleconference can access via Zoom or telephone (see access information below).

Teleconference Committee Members:

- Josh Richards (Chair, OHCA) – Zoom teleconference
- Melody Anthony (OHCA) – Zoom teleconference
- Sandra Puebla (OHCA) – Zoom teleconference
- Debra Montgomery (OHCA) – Zoom teleconference
- Melissa Miller (ODMHSAS) – Zoom teleconference
- Leigh Newby (OSDH) – Zoom teleconference
- Steven Byrom (OKDHS) – Zoom teleconference

Public access via Zoom:

https://okhca.zoom.us/webinar/register/WN_f9XinmH6SKC323nu-nHX3g

Telephone:-1-669-900-6833 -Meeting ID: 983 3956 0734

II. Public Comments (2 minute limit): **Chair, Josh Richards**

III. Rate issues to be addressed: Presentation, discussion, and vote

- A. Regular Nursing Facilities Rates
(Presented by **Fred Mensah**, OHCA)
- B. Acquired Immune Deficiency Syndrome Nursing Facilities Rates
(Presented by **Fred Mensah**, OHCA)



ADDRESS

4345 N. Lincoln Blvd.
Oklahoma City, OK 73105



WEBSITES

okhca.org
mysoonerCare.org



PHONE

Admin: 405-522-7300
Helpline: 800-987-7767



Kevin Corbett | Chief Executive Officer

J. Kevin Stitt | Governor

- C. Regular Intermediate Care Facilities for Individuals with Intellectual Disabilities Rates
(Presented by **Fred Mensah**, OHCA)
 - D. Acute Intermediate Care Facilities for Individuals with Intellectual Disabilities Rates
(Presented by **Fred Mensah**, OHCA)
 - E. Private Duty Nursing (PDN) Overtime Rates, Covid-19 Related
(Presented by **Carolyn Reconnu-Shoffner**)
- IV. Adjournment: **Chair, Josh Richards**

FUTURE SPARC MEETING
SEPTEMBER 8, 2020
TBD



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STATE PLAN AMENDMENT RATE COMMITTEE

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

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 and match them with federal funds which provides rate increases to facilities. Additionally, the change allows OHCA to calculate the annual reallocation of the pool for the “Direct Care” and “Other Cost” components of the rate as per the State Plan. Also, a one-time adjustment will be made to the base rate to account for procurement of durable medical equipment, supplies, and appliances, including oxygen from the open market. This change is to comply with the Home Health final rule.

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 \$120.57 per patient day.
- B. A Pay for Performance (PFP) Component defined as the dollars earned under this performance program with average payment of \$5.00 per patient day.
- C. An “Other Cost” 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 PFP Components by the total estimated Medicaid days for the rate period. This component once calculated is the same for each facility.
- 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 PFP 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.

STATE PLAN AMENDMENT RATE COMMITTEE

The current combined pool amount for “Direct Care” and “Other Cost” components is \$220,482,316. The current Quality of Care (QOC) fee is \$12.92 per patient day.

5. NEW METHODOLOGY OR RATE STRUCTURE.

There is no change in methodology; however there is a rate change for Regular Nursing Facilities as a result of the required annual recalculation of the Quality of Care (QOC) fee and reallocation of the pool for “Direct Care” and “Other Cost” components of the rate as per the State Plan. In addition, there will be a one-time adjustment to the base rate to account for procurement of durable medical equipment, supplies, and appliances, including oxygen from the open market. The new Base Rate Component will be \$121.30 per patient day. The new combined pool amount for “Direct Care” and “Other Cost” components will be \$250,302,699. The new Quality of Care (QOC) fee will be \$13.15 per patient day.

6. BUDGET ESTIMATE.

The estimated budget impact for SFY2021 will be an increase in the total amount of \$4,202,303; with \$1,365,748 in state share coming from the increased QOC Fee (which is paid by 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 to the base rate component from \$120.57 per patient day to \$121.30 per patient day.
- A change to the combined pool amount for “Direct Care” and “Other Cost” Components from \$220,482,316 to \$250,302,699 for the annual reallocation of the Direct Care Cost Component as per the State Plan.

9. EFFECTIVE DATE OF CHANGE.

July 1, 2020 contingent upon CMS approval.

STATE PLAN AMENDMENT RATE COMMITTEE

**ACQUIRED IMMUNE DEFICIENCY SYNDROME (AIDS) 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

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 and match them with federal funds which provides rate increases to the facilities. A one-time adjustment will also be made to the AIDS rate to account for procurement of durable medical equipment, supplies, and appliances, including oxygen from the open market. This change is to comply with the Home Health final rule.

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 \$213.61 per patient day. The Quality of Care (QOC) fee is \$12.92 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. In addition, there will be a one-time adjustment to the AIDS rate to account for procurement of durable medical equipment, supplies, and appliances, including oxygen from the open market. The rate for this provider type will be \$215.00 per patient day. The recalculated Quality of Care (QOC) fee will be \$13.15 per patient day.

6. BUDGET ESTIMATE.

The estimated budget impact for SFY2021 will be an increase in the total amount of \$10,774; with \$3,501 in state share coming from the increased QOC Fee (which is paid by the facilities).



STATE PLAN AMENDMENT RATE COMMITTEE

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 to the AIDS rate from \$213.61 per patient day to \$215.00 per patient day.

9. EFFECTIVE DATE OF CHANGE.

July 1, 2020 contingent upon CMS approval.

STATE PLAN AMENDMENT RATE COMMITTEE

**REGULAR INTERMEDIATE CARE FACILITIES FOR INDIVIDUALS WITH
INTELLECTUAL DISABILITIES (ICF/IID) RATE**

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

Rate Change

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

Increase

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 and match them with federal funds which provides rate increases to facilities. A one-time adjustment will also be made to the rate to account for procurement of durable medical equipment, supplies, and appliances, including oxygen from the open market. This change is to comply with the Home Health final rule.

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 \$128.46 per patient day.

The Quality of Care (QOC) fee is \$7.58 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. In addition, there will be a one-time adjustment to Regular ICF/IID rate to account for procurement of durable medical equipment, supplies, and appliances, including oxygen from the open market. The proposed rate for this provider type is \$128.72 per patient day. The recalculated Quality of Care (QOC) fee is \$7.64 per patient day.

6. BUDGET ESTIMATE.

The estimated budget impact for SFY2021 will be an increase in the total amount of \$39,381; with \$12,799 in state share coming from the increased QOC Fee (which is paid by providers).



STATE PLAN AMENDMENT RATE COMMITTEE

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 rate from \$128.46 per patient day to \$128.72 per patient day.

9. EFFECTIVE DATE OF CHANGE.

July 1, 2020 contingent upon CMS approval.

STATE PLAN AMENDMENT RATE COMMITTEE

**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

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

A one-time rate adjustment is being made for Acute ICF/IID rate to account for procurement of durable medical equipment, supplies, and appliances, including oxygen from the open market. This change is to comply with the Home Health final rule.

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 \$163.92 per patient day.

The Quality of Care (QOC) fee is \$9.66 per patient day.

5. NEW METHODOLOGY OR RATE STRUCTURE.

There is no change in methodology; however there is rate change due to the one-time adjustment of the rate to account for procurement of durable medical equipment, supplies, and appliances, including oxygen from the open market. The new rate for this provider type is \$163.94. There is no change to the quality of care fee.

6. BUDGET ESTIMATE.

There is no budget impact, this change will be funded using existing funds.

7. AGENCY ESTIMATED IMPACT ON ACCESS TO CARE.

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



STATE PLAN AMENDMENT RATE COMMITTEE

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 rate from \$163.92 per patient day to \$163.94 per patient day.

9. EFFECTIVE DATE OF CHANGE.

July 1, 2020 contingent upon CMS approval.

STATE PLAN AMENDMENT RATE COMMITTEE

PRIVATE DUTY NURSING (PDN) OVERTIME RATE COVID-19 RELATED

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

Rate Change

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

Increase

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

The Oklahoma Health Care Authority is requesting a Private Duty Nursing (PDN) global rate increase. PDN providers will receive a higher rate of pay for PDN hours that result in over-time rate of pay for nursing staff. The increase is to be applied only for persons with tracheostomies or who are ventilator dependent during the Covid-19 emergency declaration.

4. CURRENT METHODOLOGY AND/OR RATE STRUCTURE.

The current reimbursement rate for PDN providers is \$32.68 per hour or \$8.17 per unit.

5. NEW METHODOLOGY OR RATE STRUCTURE.

PDN providers will receive a supplemental payment of \$7.32 per hour/\$1.83 per unit for PDN hours that result in over-time rate of pay for nursing staff. The increase is to be applied only for persons with tracheostomies or who are ventilator dependent.

6. BUDGET ESTIMATE.

The estimated budget impact for March 1, 2020 to December 31, 2020 is an increase of \$601,920; with \$195,624 state share. This amount could change depending on the emergency declaration duration whether it is shorter or longer.

7. AGENCY ESTIMATED IMPACT ON ACCESS TO CARE.

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



STATE PLAN AMENDMENT RATE COMMITTEE

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

The Oklahoma Health Care Authority requests the State Plan Amendment Rate Committee approve the \$7.32 per hour/\$1.83 per unit Private Duty Nursing Overtime rate during Covid-19 emergency declaration.

9. EFFECTIVE DATE OF CHANGE.

March 1, 2020, as per CMS approval.