

Ohio Nursing Home Quality Calculation Narrative HB 479

The calculation was completed as follows using NF cost report data for cost report end dates 2023 – 2025:

1. The quality pool was calculated as determined by the lawsuit
 - 60% of the change to the direct care rate multiplied by the case mix.
 - Each rate period from 7/1/23 to 3/31/26 was recalculated and utilized the original base information, including the updated quality pool amount.
2. Next, the value per quality point for each rate period was recalculated utilizing the recalculated total pool amount.
3. Once the value per quality point was recalculated, each semi-annual rate period's quality rate component was recalculated utilizing the new value per quality point.
4. The recalculated quality rate was incorporated into the total rate, which was then compared to the original total rate to determine the difference.
5. This difference was multiplied by the number of Medicaid cost report days for the semi-annual rate period to establish the overall amount to be paid to each nursing facility.
 - The number of Medicaid days were determined as follows:
 - The cost report covering each rate period was utilized.
 - For the 1/1/26 – 3/31/36 rates, the 2025 cost report was utilized as a proxy.
 - If the cost report was a short period, it was annualized.
 - Semi-annual days are then calculated at half of the appropriate cost report period's annualized Medicaid days.
 - Leave days from the cost report were used per ORC §5165.34.
 - PA1/PA2 and Vent days are not broken out on the cost report. As the quality payment per diem is not part of the rate for these days, an estimate for these days has to be calculated. This is done as follows:
 - Claims are pulled for the following NF revenue center codes (RCC) related to the NF per diem total rate payment including full covered days and bed hold/leave day codes:
 - RCC 0101 -regular room and board rate full covered rate;
 - RCC 0160 - Full covered day: short-term stay for waiver consumer;
 - RCC 0183 - Leave day: therapeutic;
 - RCC 0185 - Leave day: hospital.

- RCC 0220 – Flat Fee Full Covered Day for PA1/PA2 Individuals
- RCC 0169 – Flat Fee Full Covered Day: Short-Term Stay for Waiver Consumers with PA1/PA2
- RCC 0189 – Flat Fee Leave Day for PA1/PA2 Individuals
- RCC 0410 – Vent Weaning Rate
- RCC 0419 –Vent-Dependent Rate
- The percent of PA1/PA2 non-leave days to exclude from the cost report days is calculated as the sum of RCCs 0220 and 0169 divided by the sum of RCCs 0101, 0160, 0220, and 0169.
- The percent of PA1/PA2 leave days to exclude from the cost report days is calculated as the sum of RCC 0189 divided by the sum of RCCs 0183, 0185, and 0189.
- Hospice room and board payments were excluded, as they were not subject to the litigation and the related NF payments are based on contractual arrangements not available to ODM.
- If the provider had an effective or terminating date during a rate period during this settlement process, the cost report days are prorated to only the dates the provider was open during the rate period.

The quality calculations and payment amounts do not account for any potential overpayment recoupments due to the Department. Those overpayments will be collected under a separate process.