

Medicaid Update

February 16, 2024

Nursing Home Occupancy

Filter by State

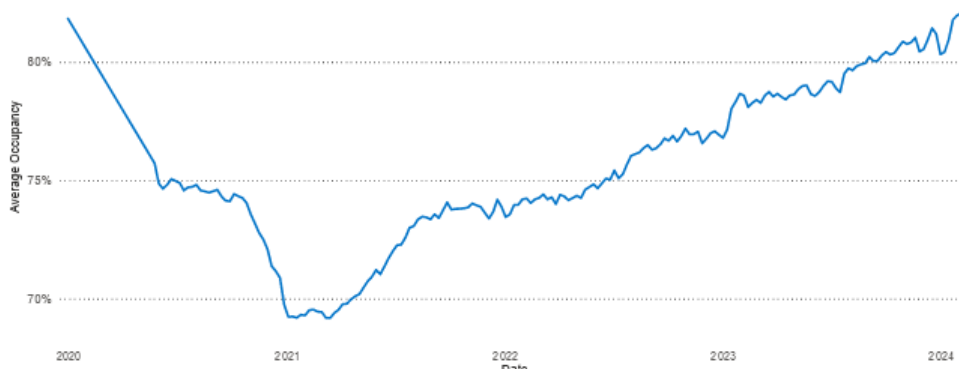
OH

Latest Data

82.1%

Average Occupancy

Trend



Data Through:

February 4, 2024

Sources: Payroll-Based Journal (PBJ) for 2019 Occupancy. NHSN for 2020 and onwards

Occupancy: AHCA/NCAL Data

- December 31, 2019, occupancy
 - US 80.2%
 - Ohio 81.8%

- February 4, 2024, occupancy
 - US 79.2%
 - Ohio 82.1%

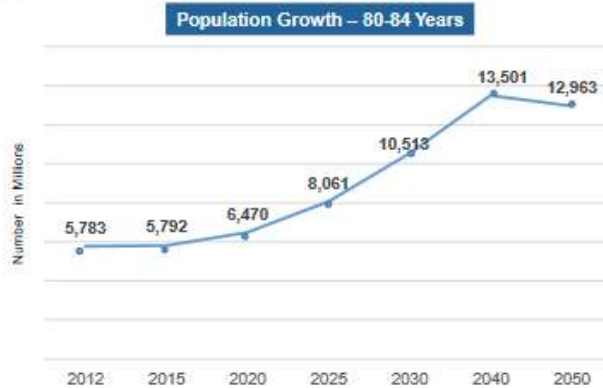
Census and Occupancy: CMS Data

US	Beds	ADC	Occupancy
February 2020	1,641,069	1,319,181	80.4%
December 2023	1,593,318	1,208,402	75.8%
Difference	(47,751)	(110,779)	(4.6%)

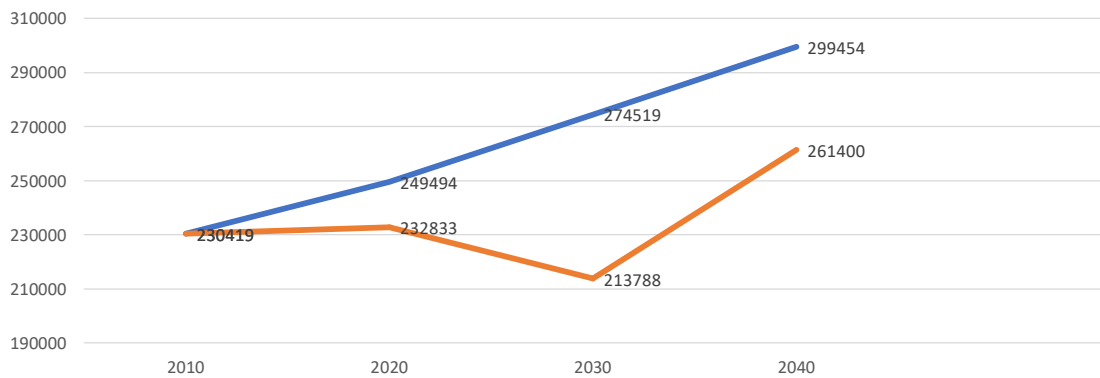
Ohio	Beds	ADC	Occupancy
February 2020	87,923	71,859	81.7%
December 2023	83,008	65,730	79.2%
Difference	(4,915)	(6,129)	(2.5%)



Aging of Population Is Still Occurring



Impact of COVID-19 on 85+ Population



Medicaid – Current Issues

- Claims payments
- Quality incentive controversy
- Private rooms
- Ventilator rate
- CHOPs
- Assisted Living Waiver

Quality Incentive Controversy: Legislative Policy

- Rebase direct care rate using 2022 cost reports
- Divide funding from rebasing 60/40 between quality and base rate
- Controversy is over how to calculate the 60% added to the quality pool

Quality Incentive Controversy: Legislative Language

- Addition to quality incentive (5165.26):
 “plus sixty per cent of the **per diem amount by which the nursing facility's rate for direct care costs** determined for the fiscal year under section 5165.19 of the Revised Code changed as a result of the rebasing conducted under section 5165.36 of the Revised Code”
- Definition of nursing facility's rate for direct care costs:
 “the department of medicaid shall determine each nursing facility's **per medicaid day payment rate for direct care costs** by multiplying the facility's semiannual case-mix score determined under section 5165.192 of the Revised Code by the cost per case-mix unit determined under division (C) of this section for the facility's peer group”
- In other words, price * CMI

ODM Interpretation

- Rate = price
- Policy rationale: estimated amount of funding
- End result: increased quality incentive pool by ~ \$169 million/year
- Our calculation: ~ \$504 million/year
- ODM's scoring of gap = \$285 million/year
- Equates to ~ \$19/day on average, including providers who receive no quality incentive

What is a Writ of Mandamus?

- A court order requiring a governmental entity to perform its legal duty
- Ohio Supreme Court
- Anticipated time frame: 6-9 months
- Outcome?
- Retroactive?

Quality Incentive for July 1, 2024

- Roughly same amount of money (whatever it is)
- More measures/points: 4 additional measures, total 50.5 points
- Lower per-point value
- Recalculation of 25th percentile – staffing in, occupancy out
- Data issues
 - 3 QMs Q4 2022-Q3 2023
 - 4 QMs Q1-Q4 2023
 - Staffing up in the air
 - Occupancy 2023 cost report (base)
- 2025 outlook

Private Rooms Update

- ODM has begun engagement with CMS
- Rate payment time frame: 6 months after CMS approval
- At least 730 applications for at least 24,000 beds for category 1
- Category 2 applications to open March 1
- Approvals on hold – bed surrenders and disqualifications

Ventilator Rate

- Disqualifiers in statute: new admissions; new programs
- Draft rule circulated 12/28/2023
- Non-invasive ventilator issue
- Rule is not final

CHOPs

- Financial requirements
 - Quality incentive
 - Bond
- Expansion of CHOP definition (ODH and ODM)
- Transparency
- Qualifications
- Technical/administrative issues
 - License vs. provider agreement
 - Attribution
 - Change of ownership

Assisted Living Waiver

- Bob Applebaum: “not enough rich old people”
- Base and memory care rate increases in place
- Critical access rate coming
- Memory care issues
 - Certification
 - Approval to bill

Next Budget

- Right around the corner
- Quality incentive issue
- PDPM transition
- Private room funding?
- Fair rental
- MyCare Ohio