As Reported by the Senate Finance Committee

129th General Assembly Regular Session 2011-2012

Sub. S. B. No. 264

Senator Jones

Cosponsors: Senators Niehaus, Burke, Lehner, Widener, Patton

A BILL

То	amend sections 173.47, 5111.222, and 5111.244 and	1
	to enact section 5111.245 of the Revised Code and	2
	to amend Section 309.30.70 of Am. Sub. H.B. 153 of	3
	the 129th General Assembly regarding quality	4
	incentive payments and quality bonuses paid to	5
	nursing facilities under the Medicaid program.	6

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:

Section 1. That sections 173.47, 5111.222, and 5111.244 be	7
amended and section 5111.245 of the Revised Code be enacted to	8
read as follows:	9
Sec. 173.47. (A) For purposes of publishing the Ohio	10
long-term care consumer guide, the department of aging shall	11
conduct or provide for the conduct of an annual customer	12
satisfaction survey of each long-term care facility. The results	13
of the surveys may include information obtained from long-term	14
care facility residents, their families, or both. A survey that is	15
to include information obtained from nursing facility residents	16
shall include the questions specified in divisions (C)(7)(a) and	17
(b) and (18) of section 5111.244 of the Revised Code. A survey	18
that is to include information obtained from the families of	19

nursing facility residents shall include the questions specified	20
in divisions (C)(8)(a) and (b) and (19) of section 5111.244 of the	21
Revised Code.	22
(B) Each long-term care facility shall cooperate in the	23
conduct of its annual customer satisfaction survey.	24
Sec. 5111.222. (A) Except as otherwise provided by sections	25
5111.20 to 5111.331 of the Revised Code and by division (B) of	26
this section, the payments total rate that the department of job	27
and family services shall agree to make pay for a fiscal year to	28
the provider of a nursing facility pursuant to a provider	29
agreement shall equal the sum of all of the following:	30
(1) The rate for direct care costs determined for the nursing	31
facility under section 5111.231 of the Revised Code;	32
(2) The rate for ancillary and support costs determined for	33
the nursing facility's ancillary and support cost peer group under	34
section 5111.24 of the Revised Code;	35
(3) The rate for tax costs determined for the nursing	36
facility under section 5111.242 of the Revised Code;	37
(4) The quality incentive payment paid to the nursing	38
facility under section 5111.244 of the Revised Code;	39
(5) The rate for capital costs determined for the nursing	40
facility's capital costs peer group under section 5111.25 of the	41
Revised Code.	42
(B) The department shall adjust the rates otherwise	43
determined under division (A) of this section as directed by the	44
general assembly through the enactment of law governing medicaid	45
payments to providers of nursing facilities, including any law	46
that establishes factors by which the rates are to be adjusted.	47
(C) In addition to paying a nursing facility provider the	48

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of the following rooms:	108
(a) A resident bathroom if the sink used by a resident after	109
the resident uses the resident bathroom is in the resident	110
<pre>bathroom;</pre>	111
(b) A resident's room if the sink used by a resident after	112
the resident uses the resident bathroom is in the resident's room.	113
(11) "Room sink" means a sink that is located in either of	114
the following rooms:	115
(a) A resident bathroom if the sink used by a resident after	116
the resident uses the resident bathroom is in the resident	117
<pre>bathroom;</pre>	118
(b) A resident's room if the sink used by a resident after	119
the resident uses the resident bathroom is in the resident's room.	120
(12) "Standard survey" has the same meaning as in 42 C.F.R.	121
488.301.	122
(B) The (1) Each fiscal year, the department of job and	123
family services shall pay a quality incentive payment to the	124
provider of each nursing facility a quality incentive payment that	125
is awarded one or more points for meeting accountability measures	126
under division (C) of this section. The Subject to division (B)(2)	127
of this section, the per medicaid day amount of a quality	128
incentive payment paid to a provider shall be based on the <u>product</u>	129
of the following:	130
(a) The number of points the provider's nursing facility is	131
awarded for meeting accountability measures <u>under division (C) of</u>	132
this section;	133
(b) Three dollars and twenty-nine cents. The amount of a	134
quality incentive payment paid to a provider of a nursing facility	135
that is awarded no points may be zero.	136
(2) The maximum quality incentive payment that may be paid to	137

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the provider of a nursing facility for a fiscal year shall be	138
sixteen dollars and forty-four cents per medicaid day.	139
(C) (1) For fiscal year 2012 only and subject <u>Subject</u> to	140
$\frac{\text{division }(C)(2)}{\text{divisions }(D), (E), \text{ and }(F)}$ of this section, the	141
department shall award each nursing facility participating in the	142
medicaid program points one point for meeting each of the	143
following accountability measures the facility meets:	144
(a) The facility had no health deficiencies on the facility's	145
most recent standard survey.	146
(b) The facility had no health deficiencies with a scope and	147
severity level greater than E, as determined under nursing	148
facility certification standards established under Title XIX, on	149
the facility's most recent standard survey.	150
(c) The facility's resident satisfaction is above the	151
statewide average.	152
(d) The facility's family satisfaction is above the statewide	153
average.	154
(e) The number of hours the facility employs nurses is above	155
the statewide average.	156
(f) The facility's employee retention rate is above the	157
average for the facility's peer group established in division (C)	158
of section 5111.231 of the Revised Code.	159
(g) The facility's occupancy rate is above the statewide	160
average.	161
(h) The facility's case-mix score is above the statewide	162
average.	163
(i) The facility's medicaid utilization rate is above the	164
statewide average.	165
(2) A nursing facility shall be awarded one point for each of	166
the accountability measures specified in divisions (C)(1)(a) to	167

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(h) of this section that the nursing facility meets. A nursing	168
facility shall be awarded three points for meeting the	169
accountability measure specified in division (C)(1)(i) of this	170
section. The	171
(1) The facility's overall score on its resident satisfaction	172
survey is at least eighty-six.	173
(2) The facility's overall score on its family satisfaction	174
survey is at least eighty-eight.	175
(3) The facility satisfies the requirements for participation	176
in the advancing excellence in America's nursing homes campaign.	177
(4) The facility had neither of the following on the	178
facility's most recent standard survey conducted not later than	179
the last day of the calendar year preceding the fiscal year for	180
which the point is to be awarded or any complaint surveys	181
conducted in the calendar year preceding the fiscal year for which	182
the point is to be awarded:	183
(a) A health deficiency with a scope and severity level	184
greater than F;	185
(b) A deficiency that constitutes a substandard quality of	186
care.	187
(5) The facility offers at least fifty per cent of its	188
residents at least one of the following dining choices for at	189
<u>least one meal each day:</u>	190
(a) Restaurant-style dining in which food is brought from the	191
food preparation area to residents per the residents' orders;	192
(b) Buffet-style dining in which residents obtain their own	193
food, or have the facility's staff bring food to them per the	194
residents' directions, from the buffet;	195
(c) Family-style dining in which food is customarily served	196
on a serving dish and shared by residents;	197

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(d) Open dining in which residents have at least a two-hour	198
period to choose when to have a meal;	199
(e) Twenty-four-hour dining in which residents may order	200
meals from the facility any time of the day.	201
(6) At least fifty per cent of the facility's residents are	202
able to take a bath or shower as often as they choose.	203
(7) The facility has at least both of the following scores on	204
its resident satisfaction survey:	205
(a) With regard to the question in the survey regarding	206
residents' ability to choose when to go to bed in the evening, at	207
<pre>least eighty-nine;</pre>	208
(b) With regard to the question in the survey regarding	209
residents' ability to choose when to get out of bed in the	210
morning, at least seventy-six.	211
(8) The facility has at least both of the following scores on	212
<pre>its family satisfaction survey:</pre>	213
(a) With regard to the question in the survey regarding	214
residents' ability to choose when to go to bed in the evening, at	215
<pre>least eighty-eight;</pre>	216
(b) With regard to the question in the survey regarding	217
residents' ability to choose when to get out of bed in the	218
morning, at least seventy-five.	219
(9) All of the following apply to the facility:	220
(a) At least seventy-five per cent of the facility's	221
residents have the opportunity, following admission to the	222
facility and before completing or quarterly updating their	223
individual plans of care, to discuss their goals for the care they	224
are to receive at the facility, including their preferences for	225
advance care planning, with a member of the residents' healthcare	226
teams that the facility, residents, and residents' sponsors	227

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consider appropriate.	228
(b) The facility records the residents' care goals, including	229
the residents' advance care planning preferences, in their medical	230
records.	231
(c) The facility uses the residents' care goals, including	232
the residents' advance care planning preferences, in the	233
development of the residents' individual plans of care.	234
(10) Not more than the applicable percentage of the	235
facility's long-stay residents report severe to moderate pain	236
during the minimum data set assessment process.	237
(11) Not more than the applicable percentage of the	238
facility's long-stay, high-risk residents have been assessed as	239
having one or more stage two, three, or four pressure ulcers	240
during the minimum data set assessment process.	241
(12) Not more than the applicable percentage of the	242
facility's long-stay residents were physically restrained as	243
reported during the minimum data set assessment process.	244
(13) Less than the applicable percentage of the facility's	245
long-stay residents had a urinary tract infection as reported	246
during the minimum data set assessment process.	247
(14) The facility uses a tool for tracking residents'	248
admissions to hospitals.	249
(15) An average of at least fifty per cent of the facility's	250
medicaid-certified beds are in private rooms.	251
(16) The facility has accessible resident bathrooms, all of	252
which meet at least two of the following standards and at least	253
some of which meet all of the following standards:	254
(a) There are room mirrors that are accessible to residents	255
in wheelchairs, can be adjusted so as to be visible to residents	256
who are seated or standing, or both.	257

caregiver for the resident attends and participates in the

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conference.	288
(D)(1) To be awarded a point for meeting an accountability	289
measure under division (C) of this section other than the	290
accountability measure identified in division (C)(4) of this	291
section, a nursing facility must meet the accountability measure	292
in the calendar year preceding the fiscal year for which the point	293
is to be awarded. However, a nursing facility must meet the	294
accountability measures specified in divisions (C)(3), (5), (6),	295
(9), (14) to (17), (20), (22), and (23) of this section in the	296
period beginning January 1, 2012, and ending March 31, 2012, to be	297
awarded points for those accountability measures for fiscal year	298
2013.	299
(2) The department shall award points pursuant to division	300
(C)(1) $\frac{(c)}{(c)}$, (7), or $\frac{(d)}{(18)}$ of this section to a nursing facility	301
only if a survey of resident or family satisfaction <u>survey</u> was	302
conducted initiated under section 173.47 of the Revised Code for	303
the nursing facility in the calendar year 2010 preceding the	304
fiscal year for which the points are to be awarded.	305
(D)(1) For fiscal year 2013 and thereafter, the department	306
shall award each nursing facility participating in the medicaid	307
program points for meeting accountability measures in accordance	308
with amendments to be made to this section not later than December	309
31, 2011, that provide for all of the following:	310
(a) Meaningful accountability measures of quality of care,	311
quality of life, and nursing facility staffing;	312
(b) The maximum number of points that a nursing facility may	313
earn for meeting accountability measures;	314
(c) A methodology for calculating the quality incentive	315
payment that recognizes different business and care models in	316
nursing facilities by providing flexibility in nursing facilities'	317
ability to earn the entire quality incentive payment;	318

(d) A quality bonus to be paid at the end of a fiscal year in	319
a manner that provides for all funds that the general assembly	320
intends to be used for the quality incentive payment for that	321
fiscal year are distributed to nursing facilities.	322
(2) For the purpose of division (D)(1)(d) of this section,	323
the amount of funds that the general assembly intends to be used	324
for the quality incentive payment for a fiscal year shall be the	325
product of the following:	326
(a) The number of medicaid days in the fiscal year;	327
(b) The maximum quality incentive payment the general	328
assembly has specified in law to be paid to nursing facilities for	329
that fiscal year.	330
(3) The department shall award points pursuant to division	331
(C)(2), (8), or (19) of this section to a nursing facility only if	332
a family satisfaction survey was initiated under section 173.47 of	333
the Revised Code for the nursing facility in the calendar year	334
preceding the fiscal year for which the points are to be awarded.	335
(4) Not later than July 1, 2013, the department shall adjust	336
the score used for the purpose of division (C)(8)(b) of this	337
section in a manner that causes at least fifty per cent of nursing	338
facilities to meet division (C)(8)(b) of this section.	339
(E) For the purposes of awarding points under divisions	340
(C)(10) to (13) of this section for fiscal year 2013, the	341
following apply:	342
(1) If, by July 1, 2012, the United States centers for	343
medicare and medicaid services makes calculations using the 3.0	344
version of the minimum data set that indicate whether nursing	345
facilities meet those accountability measures, the department	346
shall do both of the following:	347
(a) Rely on those calculations;	348

accountability measure identified in division (C)(12) of this

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(2) "Oualifying nursing facility" means a nursing facility

(3) "Ouality bonus points for a fiscal year" means the amount

(4) "Residual budgeted amount for quality incentive payments

(a) Multiply the total number of medicaid days in the fiscal

(b) Determine the total amount of quality incentive payments

(c) Subtract the amount determined under division (A)(4)(b)

(B) The department of job and family services shall pay a

nursing facility provider a quality bonus for a fiscal year if

that qualifies for a quality bonus for a fiscal year as determined

determined by subtracting five from the number of points awarded

for a fiscal year means the amount determined for a fiscal year

that was paid under section 5111.244 of the Revised Code to all

of this section from the product calculated under division

to a qualifying nursing facility under division (C) of section

5111.244 of the Revised Code for a fiscal year.

year by sixteen dollars and forty-four cents;

nursing facility providers for the fiscal year;

(A)(4)(a) of this section.

under division (B) of this section.

as follows:

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both of the following apply:	438
(1) The provider's nursing facility is awarded more than five	439
points under division (C) of section 5111.244 of the Revised Code	440
for the fiscal year.	441
(2) The residual budgeted amount for quality incentive	442
payments for the fiscal year is greater than zero.	443
(C) The total quality bonus to be paid to the provider of a	444
qualifying nursing facility for a fiscal year shall equal the	445
<pre>product of the following:</pre>	446
(1) The quality bonus per medicaid day for the fiscal year	447
determined for the provider's qualifying nursing facility under	448
division (D) of this section;	449
(2) The number of the qualifying nursing facility's medicaid	450
days in the fiscal year.	451
(D) A qualifying nursing facility's quality bonus per	452
medicaid day for a fiscal year shall be the product of the	453
<pre>following:</pre>	454
(1) The nursing facility's quality bonus points for the	455
fiscal year;	456
(2) The quality bonus per point for the fiscal year	457
determined under division (E) of this section.	458
(E) The quality bonus per point for a fiscal year shall be	459
<pre>determined as follows:</pre>	460
(1) Determine the number of each qualifying nursing	461
facility's point days for the fiscal year;	462
(2) Determine the sum of all qualifying nursing facilities'	463
point days for the fiscal year;	464
(3) Divide the residual budgeted amount for quality incentive	465
payments for the fiscal year by the sum determined under division	466

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(E)(2) of this section.	467
(F) The calculation of a qualifying nursing facility's bonus	468
payment is not subject to appeal under Chapter 119. of the Revised	469
Code.	470
(G) The director of job and family services may adopt rules	471
under section 5111.02 of the Revised Code as necessary to	472
implement this section.	473
Section 2. That existing sections 173.47, 5111.222, and	474
5111.244 of the Revised Code are hereby repealed.	475
Section 3. That Section 309.30.70 of Am. Sub. H.B. 153 of the	476
129th General Assembly be amended to read as follows:	477
Sec. 309.30.70. FISCAL YEAR 2013 MEDICAID REIMBURSEMENT	478
SYSTEM FOR NURSING FACILITIES	479
(A) As used in this section:	480
"Franchise permit fee," "Medicaid days," "nursing facility,"	481
and "provider" have the same meanings as in section 5111.20 of the	482
Revised Code.	483
"Low resource utilization resident" means a Medicaid	484
recipient residing in a nursing facility who, for purposes of	485
calculating the nursing facility's Medicaid reimbursement rate for	486
direct care costs, is placed in either of the two lowest resource	487
utilization groups, excluding any resource utilization group that	488
is a default group used for residents with incomplete assessment	489
data.	490
"Nursing facility services" means nursing facility services	491
covered by the Medicaid program that a nursing facility provides	492
to a resident of the nursing facility who is a Medicaid recipient	493
eligible for Medicaid-covered nursing facility services.	494

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(B) Except as otherwise provided by this section, the 495 provider of a nursing facility that has a valid Medicaid provider 496 agreement on June 30, 2012, and a valid Medicaid provider 497 agreement during fiscal year 2013 shall be paid, for nursing 498 facility services the nursing facility provides during fiscal year 499 2013, the rate calculated for the nursing facility under sections 500 5111.20 to 5111.331 of the Revised Code with the following 501 adjustments: 502 (1) The, except that the cost per case mix-unit calculated 503 under section 5111.231 of the Revised Code, the rate for ancillary 504 and support costs calculated under section 5111.24 of the Revised 505 Code, the rate for tax costs calculated under section 5111.242 of 506 the Revised Code, and the rate for capital costs calculated under 507 section 5111.25 of the Revised Code shall each be increased by 508 5.08 per cent÷ 509 (2) The maximum quality incentive payment made under section 510 5111.244 of the Revised Code shall be \$16.44 per Medicaid day. 511 (C) The rate determined under division (B) of this section 512 shall not be paid for nursing facility services provided to low 513 resource utilization residents. Except as provided in division (D) 514 of this section, the provider of a nursing facility that has a 515 valid Medicaid provider agreement on June 30, 2012, and a valid 516 Medicaid provider agreement during fiscal year 2013 shall be paid, 517 for nursing facility services the nursing facility provides during 518 fiscal year 2013 to low resource utilization residents, \$130.00 519 per Medicaid day. 520 (D) If the franchise permit fee must be reduced or eliminated 521 to comply with federal law, the Department of Job and Family 522 Services shall reduce the amount it pays providers of nursing 523 facility services under this section as necessary to reflect the 524

loss to the state of the revenue and federal financial

participation generated from the franchise permit fee.

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(E) The Department of Job and Family Services shall follow	527
this section in determining the rate to be paid to the provider of	528
a nursing facility that has a valid Medicaid provider agreement on	529
June 30, 2012, and a valid Medicaid provider agreement during	530
fiscal year 2013 notwithstanding anything to the contrary in	531
sections 5111.20 to 5111.331 of the Revised Code.	532
Section 4. That existing Section 309.30.70 of Am. Sub. H.B.	533
153 of the 129th General Assembly is hereby repealed.	534
Section 5. Sections 1 to 4 of this act shall take effect July	535
1, 2012.	536