Ohio Legislative Service Commission

Bill Analysis

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H.B. 156

129th General Assembly
(As Introduced)

Reps. Yuko and McGregor, Garland, Murray, Gardner, Foley, Blair, Sears, Boyd, Schuring, Snitchler, Antonio, Okey, Lundy, DeGeeter, Ashford, Pillich, Balderson, J. Adams, Letson, Hottinger, Hackett, Gentile, Barnes, Weddington, Slaby, Mallory

BILL SUMMARY

- Removes the following services from the types of services included in determining Medicaid reimbursement rates for nursing facilities: wheelchairs, resident transportation, non-emergency oxygen, over-the-counter pharmacy products, physical therapists, physical therapy assistants, occupational therapists, occupational therapy assistants, speech therapists, and audiologists.

- Adds prescription drugs to the types of services included in determining Medicaid reimbursement rates for nursing facilities.

- Requires a nursing facility, when paying for a prescription drug dispensed to a resident of the facility, to promptly pay the person who dispensed the drug at the Medicaid fee-for-service payment rate plus the Medicaid fee-for-service dispensing fee for the prescription drug.

CONTENT AND OPERATION

Bundled services

The bill reverses revisions that Am. Sub. H.B. 1 of the 128th General Assembly (the biennial budget act) made to two of the price centers included in the formula used to determine a nursing facility's Medicaid reimbursement rate.[1] The H.B. 1 revisions have been referred to as "bundling" because the costs of several additional services were combined with the other costs included in the two price centers.

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[1] R.C. 5111.20.

Price centers are comprised of the costs of different services that a nursing facility provides to or arranges for its residents who are Medicaid recipients. There are several price centers, including (1) ancillary and support costs and (2) direct care costs. A nursing facility is paid a Medicaid rate for each price center; there is a separate formula for determining each rate. A nursing facility's total Medicaid rate is the sum of all of the price center rates, a quality incentive payment, and other components.

H.B. 1 added the costs of wheelchairs and resident transportation to the services included in the ancillary and support costs price center. With regard to the direct care costs price center, H.B. 1 added the costs of the following services: all oxygen (rather than only emergency oxygen), over-the-counter pharmacy products, physical therapists, physical therapy assistants, occupational therapists, occupational therapy assistants, speech therapists, and audiologists.

Reimbursement methods

Before H.B. 1 "bundled" the additional services described above by including them in the price centers that are used in the nursing facility reimbursement formula, the providers of the services were reimbursed by billing the Medicaid program directly. Now that services are bundled, the providers are reimbursed by billing the nursing facilities. Under the bill, since the services are "unbundled," the providers are to be reimbursed by billing the Medicaid program, as they were before H.B. 1.

Bundling of prescription drug costs

In addition to reversing the H.B. 1 revisions, the bill adds prescription drug costs to nursing facilities' direct care costs. As a result, the costs are bundled within the nursing facility reimbursement formula. Therefore, under the bill, providers of prescription drugs for nursing facility residents who are Medicaid recipients are to be reimbursed by billing the nursing facility, rather than by billing the Medicaid program directly.

When reimbursing a person for dispensing a prescription drug to a nursing facility resident who is a Medicaid recipient, the bill requires the nursing facility to pay the person the Medicaid fee-for-service payment rate plus the Medicaid fee-for-service dispensing fee for the prescription drug. The payment must be made no later than 30 days after the person dispenses the prescription drug. The bill exempts from this requirement a nursing facility employee who, as part of the employee's duties, dispenses the prescription drug.[2]

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[2] R.C. 5111.205.

HISTORY

ACTION	DATE
Introduced	03-15-11

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