MCDCD6    Nursing facility Medicaid payment rates

R.C.    5165.01, 5165.16, 5165.17, 5165.191

Makes the following changes to the nursing facility Medicaid payment rate formula:

(1) Clarifies the definition of "inpatient days" to mean all days during which a resident occupies a licensed bed in a nursing facility, instead of a bed that is included in the facility's Medicaid certified capacity;

(2) Clarifies occupancy rate to mean the percentage of occupied beds that, regardless of payer source, are reserved for use or actually being used;

(3) Clarifies that, for purposes of eligibility of the critical access incentive payment, the nursing facility's occupancy and utilization rates as of the last day of the calendar year are the rates for the entire cost reporting period;

(4) For the ancillary and support costs and capital costs components of the payment rate, removes law that requires, for the purpose of determining a nursing facility's occupancy rate, the Ohio Department of Medicaid (ODM) to include any beds that the facility removes from its Medicaid certified capacity, unless the facility also removes the beds from its licensed capacity;

(5) Requires that rules relating to the resident assessment data nursing facilities must compile must specify any resident assessment data that is excluded from the facility's case mix score, as calculated by ODM.

MCDCD7    Nursing facility quality improvement payments

R.C.    5165.15, 5165.151, Repealed: 5165.25 and 5165.26; Section 333.220

Repeals the nursing facility quality and quality incentive payments and establishes a new nursing facility quality improvement payment.

Provides that for state FY 2022, the nursing facility quality improvement payment is calculated in a manner similar to the repealed quality incentive payment.

Requires, by January 1, 2022, ODM, in consultation with the departments of Aging and Health, to develop and establish quality improvement criteria that will be used to calculate a quality improvement payment for eligible nursing facilities.

Provides that the criteria replace the FY 2022 quality improvement criteria if implemented in that state fiscal year, and that if the criteria are developed after state FY 2022, no quality improvement payments are to be made until the criteria are established.

Requires nursing facilities to operate a location in this state with key program staff to be eligible for the quality improvement payments.
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Fiscal effect: The budget provides $170.0 million all funds ($56.0 million in GRF state share) in FY 2022 and $170.0 million all funds ($61.0 million in GRF state share) in FY 2023 for a replaced quality incentive payment. Additionally, the budget provides $50.0 million all funds ($16.5 million in GRF state share) in FY 2022 and $50.0 million all funds ($18.0 million in GRF state share) in FY 2023 to fund an increase to the quality rate.

MCDCD8 Special Focus Facility Program

R.C. 5165.771
Modifies the nursing facility Special Focus Facility Program, which requires ODM to terminate a nursing facility's Medicaid participation if the nursing facility is placed on the federal Special Focus Facility (SFF) list and fails to make improvements or graduate from the SFF program within certain periods of time, as follows:

(1) Requires a nursing facility to take all necessary steps to avoid having its Medicaid participation terminated;

(2) Provides that technical assistance and quality improvement initiatives to help a nursing facility avoid having its Medicaid participation terminated are available through the Nursing Home Quality Initiative (NHQI) and through a quality improvement organization under the Nursing Home Quality Initiative, instead of requiring the Department of Aging to provide assistance through the NHQI at least four months before ODM would be required to terminate the facility's Medicaid participation;

(3) Permits nursing facilities to appeal, under the Administrative Procedure Act, the length of time a facility is listed on the SFF table, instead of prohibiting any appeals;

(4) Permits the Medicaid Director to adopt rules to provide for an expedited appeal process, notwithstanding the Administrative Procedure Act's time limits.

Fiscal effect: Any impact will depend on the number of nursing facilities placed on the SFF list.

MCDCD1 Medicaid waiver component definition

R.C. 5166.01
Specifies that the definition of a "Medicaid waiver component" under existing law does not include services delivered under a prepaid inpatient health plan.

Fiscal effect: None.

Legislative Budget Office Office of Research and Drafting
Department of Medicaid

Executive

MCDCD9  Medicaid Health Care Services

Section:  333.20
Requires that GRF appropriation item 651525, Medicaid Health Care Services, not be limited by R.C. 131.33, which requires that unexpended balances of appropriations revert to the funds from which they were made at the end of the appropriation period.

MCDCD10  Lead abatement and related activities

Section:  333.30
Allows the Director of OBM, upon the request of the Medicaid Director, to transfer state share appropriations from GRF appropriation item 651525, Medicaid Health Care Services, to appropriation items in other state agencies for the purposes of lead abatement and related activities. Permits the Director of OBM, if such a transfer occurs, to adjust the federal share of GRF appropriation item 651525, Medicaid Health Care Services, accordingly.

Allows the Medicaid Director to transfer federal funds for these transactions.

Appropriates any transferred amounts.

MCDCD11  Hospital Franchise Fee Program

Section:  333.40
Permits the Director of OBM to authorize additional expenditures from appropriation items 651623, Medicaid Services - Federal; 651525, Medicaid Health Care Services, and 651656, Medicaid Services - Hospital Franchise Fee, to implement the programs authorized by R.C. 5168.20 and 5168.28. Appropriates any authorized amounts.

MCDCD5  Hospital Franchise Fee additional appropriations

Section:  333.45
Allows the Medicaid Director to request that the Director of OBM authorize expenditures in excess of the amounts appropriated in DPF Fund 5GF0 appropriation item 651656, Medicaid Services – Hospital Franchise Fee, and Federal Fund 3F00 appropriation item 651623, Medicaid Services – Federal, if additional amounts are necessary due to the COVID-19 public health emergency.
Allows the Director of OBM to authorize excess expenditures by up to $400.0 million in item 651656 and up to $1.00 billion in item 651623 in each fiscal year. Appropriates any authorized excess expenditures.

**MCDCD12  Medicare Part D**

Section: 333.50

Permits GRF appropriation item 651526, Medicare Part D, to be used by ODM for the implementation and operation of the Medicare Part D requirements contained in the Medicare Prescription Drug, Improvement, and Modernization Act of 2003.

Permits the Director of OBM, upon the request of ODM, to transfer the state share of appropriations between GRF appropriation items 651525, Medicaid Health Care Services, and 651526, Medicare Part D.

Requires the Director of OBM to adjust the federal share of item 651525, if the state share is adjusted.

Requires ODM to provide notification to the Controlling Board of any such transfers at their next scheduled meeting.

**MCDCD13  Care Innovation and Community Improvement Program**

Section: 333.60

Allows the Medicaid Director to request the Director of OBM to authorize additional expenditures from the Care Innovation and Community Improvement Program Fund (Fund 5AN0) and the Health Care - Federal Fund (Fund 3F00) if the amounts appropriated and the corresponding federal share are inadequate to make the supplemental payments. Appropriates any authorized additional expenditures.

**MCDCD14  Deposits to the Health Care/Medicaid Support and Recoveries Fund**

Section: 333.70

Requires the Medicaid Director to deposit into the Health Care Services Support and Recoveries Fund (Fund 5DL0), $2.5 million cash in each fiscal year from the first installment of assessments and intergovernmental transfers made under the Hospital Care Assurance Program (HCAP) under R.C. 5168.06 and 5168.07.
### Department of Medicaid

**Main Operating Appropriations Bill**

**H.B. 110**

#### Executive

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<td><strong>Section:</strong> 333.80</td>
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<tr>
<td>Permits the Medicaid Director to request that the Director of OBM authorize expenditures from the Health Care/Medicaid Support and Recoveries Fund (Fund 5DL0) in excess of the amounts appropriated, if receipts credited to the fund exceed the amounts appropriated from the fund. Requires, if additional expenditures are authorized, that the Director of OBM adjust any federal appropriations accordingly. Appropriates authorized amounts and corresponding federal adjustments.</td>
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| **MCDCD16** Cash transfers from the Health Care/Medicaid Support and Recoveries Fund to the Statewide Prevention and Treatment Fund |
| **Section:** 333.90 |
| Permits the Director of OBM, upon request of the Medicaid Director, to transfer up to $2.0 million cash in each fiscal year from the Health Care/Medicaid Support and Recoveries Fund (Fund 5DL0) to the Statewide Prevention Treatment Fund (Fund 4750). Requires any transferred funds be used to support Centers of Excellence and related activities. Appropriates any transferred funds. |

| **MCDCD17** Health Insuring Corporation Class Franchise Fee |
| **Section:** 333.100 |
| Permits the Director of OBM, at the request of the Medicaid Director, to authorize expenditures from the Health Insuring Corporation Class Franchise Fee Fund (Fund 5TN0) in excess of the amounts appropriated if receipts credited to the fund exceed appropriations. Requires the Director of OBM to adjust the federal appropriation item identified by the Medicaid Director if additional amounts are authorized. Appropriates any authorized amounts and corresponding federal adjustments. |

| **MCDCD18** Hospital Care Assurance Match |
| **Section:** 333.110 |
| Permits the Director of OBM, at the request of the Medicaid Director, to authorize additional expenditures from the Health Care Federal Fund (Fund 3F00) if receipts credited to the fund exceed the amounts appropriated for making the HCAP distribution. Appropriates any authorized amounts. |
Requires that DPF Fund 6510, appropriation item 651649, Medicaid Services – Health Care Assurance Program, be used by ODM for distributing the state share of all HCAP funds to hospitals. Permits the Director of OBM, at the request of the Medicaid Director, to authorize additional expenditures from the Hospital Care Assurance Program Fund (Fund 6510) if receipts credited to the fund exceed the amounts appropriated for the HCAP distributions. Appropriates any authorized amounts.

**MCDCD19  Refunds and Reconciliation Fund**

**Section:** 333.120

Permits the Director of OBM, at the request of the Medicaid Director, to authorize additional expenditures from the Refunds and Reconciliation Fund (Fund R055) if receipts credited to the fund exceed the amounts appropriated. Appropriates any authorized amounts.

**MCDCD28  Medicaid Interagency Pass-Through**

**Section:** 333.130

Permits the Director of OBM, at the request of the Medicaid Director, to authorize expenditures from FED Fund 3G50 appropriation item 651655, Medicaid Interagency Pass-Through, in excess of amounts appropriated. Appropriates any authorized amounts.

**MCDCD20  Non-emergency medical transportation**

**Section:** 333.140

Permits the Director of OBM, at the request of the Medicaid Director, to transfer the state share appropriations between GRF appropriation item 651525, Medicaid Health Care Services, in the ODM budget and 655523, Medicaid Program Support - Local Transportation, in the ODJFS budget to ensure access to a non-emergency medical transportation brokerage program. Requires that the Director of OBM adjust the federal share of item 651525 and FED Fund 3F01 appropriation item 655624, Medicaid Program Support - Federal, in the ODJFS budget, accordingly. Requires the Medicaid Director to transmit federal funds it receives for the transaction to Fund 3F01, used by ODJFS.
MCDCD21  Public assistance eligibility determination and local program support

Section:  333.150
Permits the Director of OBM, at the request of the Medicaid Director, to transfer up to $5.0 million in each fiscal year in state share
appropriations between GRF appropriation item 651525, Medicaid Health Care Services, in the ODM budget and 655522, Medicaid
Program Support - Local, in the ODJFS budget. Requires that the Director of OBM adjust the federal share of item 651525 and FED Fund
3F01 appropriation item 655624, Medicaid Program Support - Federal, in the ODJFS budget, accordingly. Requires the Medicaid Director
to transmit federal funds it receives for the transaction to Fund 3F01, used by ODJFS.
Requires the Medicaid Director to establish criteria for distribution of funds and for county departments of job and family services (CDJFS)
to submit allowable expenses.
Requires CDJFSs to comply with new roles, processes, and responsibilities related to the new eligibility determination system and requires
CDJFS to report to ODJFS and ODM how the funds were used.

MCDCD22  Medicaid payment rates for community behavioral health services

Section:  333.160
Permits ODM to establish Medicaid payment rates for community behavioral health services provided during FY 2022 and FY 2023 that
exceed authorized rates paid for the services under the Medicare Program.
Specifies that this provision does not apply to community behavioral health services provided by hospitals on an inpatient basis, nursing
facilities, and intermediate care facilities for individuals with intellectual disabilities.
Fiscal effect: Any impact will depend on whether ODM chooses to pay these amounts.

MCDCD23  Area Agencies on Aging and Medicaid Managed Care

Section:  333.170
Requires ODM, if it expands the inclusion of the aged, blind, and disabled (ABD) eligibility group or dual-eligibles in the care management
system during the FY 2022-FY 2023 biennium, to do the following:
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(1) Require Area Agencies on Aging (AAA) to be the coordinators of home and community-based services available under Medicaid waiver components that those individuals and the group receive and permit Medicaid managed care organizations (MCOs) to delegate to the agencies full-care coordination functions for those services and other healthcare services those individuals and that group receive; and

(2) Give preference, when selecting managed care organizations to contract with, organizations that will enter into subcapitation arrangements with AAAs under which the agencies are to perform, in addition to other functions, certain network management and payment functions.

Fiscal effect: Any impact will depend on if ODM chooses to include these populations into the care management system. AAAs currently coordinate services for dual-eligibles participating in MyCare.

MCDCD24  Work Community Engagement Program - OhioMeansJobs costs

Section:  333.180
Permits the Director of OBM, upon the request of the Medicaid Director, to transfer in each fiscal year state share appropriations between FED Fund 3F00 appropriation item 651624, Medicaid Program Support-Federal, within ODM, and FED Fund 3F01 appropriation item 655624, Medicaid Program Support-Federal, within ODJFS. Requires that if any transfer occurs, the Director of OBM adjust federal share appropriations, accordingly.

Specifies that any funds provided to ODJFS shall only be used for costs related to transitioning to a new work community engagement program for the Medicaid program as prescribed by the Medicaid Director.

MCDCD25  Work Community Engagement Program - county costs

Section:  333.190
Permits the Director of OBM, upon request of the Medicaid Director, to transfer state share appropriations in each fiscal year between GRF appropriation item 651525, Medicaid Health Care Services, used by ODM, and GRF appropriation item 655522, Medicaid Program Support - Local, used by ODJFS. Requires federal shares to be adjusted accordingly if such a transfer occurs.

Requires any increase to be provided to CDJFSs to be used only for costs related to transitioning to a new work and community engagement program under the Medicaid program. Prohibits funds from being used for existing and ongoing operating expenses.

Requires the Medicaid Director to establish criteria for distributing these funds and for CDJFSs to submit allowable expenses.
MCDCD26  Managed Care Claims Fund

Section: 333.200
Creates the Managed Care Claims Fund in the state treasury, which consists of money that Medicaid MCOs pay to ODM in order for ODM to make payments to providers under the care management system that the organizations are unable to make due to systems issues. Requires moneys in the fund to be used to make such payments.
Allows the Medicaid Director to request the Director of OBM to authorize expenditures from the Managed Care Claims Fund and the corresponding federal share from the Health Care Federal Fund (Fund 3F00). Appropriates any requested amounts upon the approval of the Director of OBM.

MCDCD27  Voluntary Medicaid Community Engagement Program

Section: 333.210
Requires the Medicaid Director to establish a voluntary community engagement program since the COVID-19 public health emergency created impediments to implementing the Work and Community Engagement Waiver Component under R.C. 5166.37. Requires the voluntary program to be implemented no later than January 1, 2022 and to be available to all medical assistance recipients.
Requires the program to do the following: encourage medical assistance recipients who are working age and able-bodied to work; promote the economic stability, financial independence, and improved health outcomes from work; and provide information about services available under the voluntary program, including an explanation of the importance of work to overall physical and mental health.
Provides that the program is in effect through the FY 2022 – FY 2023 biennium, or until Ohio is able to implement the waiver component under R.C. 5166.37, whichever is sooner.
Requires the Medicaid Director to explore partnerships with education and training providers to increase training opportunities for Medicaid recipients.

Fiscal effect: ODM will realize costs to establish and implement this program. However, the budget provides the funding to support this.
MCDCD4  Lump sum payment for low Medicaid utilization

Section:  333.230
Requires ODM to issue a lump sum payment to nursing facilities that have a Medicaid utilization rate for 2022 that is less than 90% of the aggregate Medicaid utilization for calendar year 2019, with certain exceptions.
Caps the total lump sum payments to the lesser of $50.0 million or an amount equal to the aggregate utilization shortfall across all nursing facilities during that time period.

Fiscal effect: The budget provides $50.0 million all funds ($16.5 million in GRF state share) in FY 2022 for the lump sum payment.

MCDCD3  Temporary extension of rebasing

Section:  333.240
Delays ODM’s next rebasing until July 1, 2023, notwithstanding current law requiring ODM to conduct a rebasing at least once every five years.

Fiscal effect: The impact will depend on what base year is selected to be used for the rebasing.

MCDCD2  Hospital Care Assurance Program

Section:  610.20, 610.21
Amends Sections 125.10 and 125.11 of H.B. 59 of the 130th G.A. to delay the repeal of the Hospital Care Assurance Program, which compensates hospitals that provide a disproportionate share of care to indigent patients, for two additional years, from 2021 to 2023.

Fiscal effect: The bill appropriates $158.4 million in FY 2022 and $102.3 million in FY 2023 in DPF Fund 6510 appropriation item 651649, Medicaid Services - Hospital Care Assurance Program, for the program. The cash used for the program is from an assessment imposed on hospitals.
DOHCD35 Long-Term Care Bed Buyback Program

Section: 291.50
Requires ODH, in consultation with the Department of Aging and the Department of Medicaid, to establish a Long-Term Care Bed Buyback Program during FY 2022 and FY 2023 under which nursing facility operators may voluntarily, permanently surrender for compensation one or more licensed long-term care beds due to a decrease in bed utilization if the bed is (1) located in a county with bed excess as calculated by ODH and (2) the county has sufficient beds remaining to address the bed need in the county as calculated by ODH after surrender.

Requires ODH to solicit program applications, setting forth program requirements and the criteria that will be used to evaluate competing bed surrender proposals.

Requires a nursing facility that has received payment for the surrender of long-term care beds under the program to provide notice with specified information to ODH.

Requires DPF Fund L087 appropriation item 440680, Nursing Home Bed Reduction, to be used in FY 2022 to support the long-term care bed buyback program.

Allows, on July 1, 2022, or as soon as possible thereafter, the Director of Health to certify to the Director of Budget and Management an amount up to the unexpended, unencumbered balance of DPF appropriation item, 440680, Nursing Home Bed Reduction, at the end of fiscal year 2022 to be reappropriated to FY 2023.

Reappropriates the amount certified to the same appropriation item and for the same purpose for FY 2023.

Fiscal effect: In FY 2022, $50.0 million is appropriated in appropriation item 440680.