



Ohio Revised Code

Section 5124.21 Per medicaid day indirect care costs component rate.

Effective: September 15, 2014

Legislation: House Bill 483 - 130th General Assembly

(A) For each fiscal year, the department of developmental disabilities shall determine each ICF/IID's per medicaid day payment rate for indirect care costs. Except as otherwise provided in this chapter, an ICF/IID's rate shall be determined prospectively. Subject to section 5124.28 of the Revised Code, an ICF/IID's rate shall be the lesser of the individual rate determined under division (B) of this section and the maximum rate determined for the ICF/IID's peer group under division (C) of this section.

(B) An ICF/IID's individual rate is the sum of the following:

(1) The ICF/IID's desk-reviewed, actual, allowable, per diem indirect care costs from the calendar year immediately preceding the fiscal year in which the rate will be paid, adjusted for the inflation rate estimated under division (E)(1) of this section;

(2) Subject to division (D) of this section, an efficiency incentive equal to the difference between the amount of the per diem indirect care costs determined for the ICF/IID under division (B)(1) of this section for the fiscal year in which the rate will be paid and the maximum rate established for the ICF/IID's peer group under division (C) of this section for that fiscal year.

(C)(1) The maximum rate for indirect care costs for each ICF/IID in peer group 1 shall be determined as follows:

(a) For each fiscal year ending in an even-numbered calendar year, the maximum rate for ICFs/IID in peer group 1 shall be the rate that is no less than twelve and four-tenths per cent above the median desk-reviewed, actual, allowable, per diem indirect care cost for all ICFs/IID in peer group 1 (excluding ICFs/IID in peer group 1 whose indirect care costs for that period are more than three standard deviations from the mean desk-reviewed, actual, allowable, per diem indirect care cost for all ICFs/IID in peer group 1) for the calendar year immediately preceding the fiscal year in which the rate will be paid, adjusted by the inflation rate estimated under division (E)(1) of



this section.

(b) For each fiscal year ending in an odd-numbered calendar year, the maximum rate for ICFs/IID in peer group 1 is the maximum rate for ICFs/IID in peer group 1 for the previous fiscal year, adjusted for the inflation rate estimated under division (E)(2) of this section.

(2) The maximum rate for indirect care costs for ICFs/IID in peer group 2 or peer group 3 shall be determined as follows:

(a) For each fiscal year ending in an even-numbered calendar year, the maximum rate for ICFs/IID in peer group 2 or peer group 3 shall be the rate that is no less than ten and three-tenths per cent above the median desk-reviewed, actual, allowable, per diem indirect care cost for all ICFs/IID in peer group 2 or peer group 3 (excluding ICFs/IID in peer group 2 or peer group 3 whose indirect care costs are more than three standard deviations from the mean desk-reviewed, actual, allowable, per diem indirect care cost for all ICFs/IID in peer group 2 or peer group 3) for the calendar year immediately preceding the fiscal year in which the rate will be paid, adjusted by the inflation rate estimated under division (E)(1) of this section.

(b) For each fiscal year ending in an odd-numbered calendar year, the maximum rate for ICFs/IID in peer group 2 or peer group 3 is the maximum rate for ICFs/IID in peer group 2 or peer group 3 for the previous fiscal year, adjusted for the inflation rate estimated under division (E)(2) of this section.

(3) The department shall not redetermine a maximum rate for indirect care costs under division (C)(1) or (2) of this section based on additional information that it receives after the maximum rate is set. The department shall redetermine the maximum rate for indirect care costs only if it made an error in computing the maximum rate based on the information available to the department at the time of the original calculation.

(D)(1) The efficiency incentive for an ICF/IID in peer group 1 shall not exceed the following:

(a) For fiscal year 2014, seven and one-tenth per cent of the maximum rate established for ICFs/IID in peer group 1 under division (C) of this section;



(b) For fiscal year 2015, the following amount:

(i) The amount calculated for fiscal year 2014 under division (D)(1)(a) of this section if the provider of the ICF/IID obtains the department's approval to become a downsized ICF/IID and the approval is conditioned on the downsizing being completed not later than July 1, 2018;

(ii) One-half of the amount calculated for fiscal year 2014 under division (D)(1)(a) of this section if division (D)(1)(b)(i) of this section does not apply to the ICF/IID.

(c) For fiscal year 2016 and each fiscal year thereafter ending in an even-numbered calendar year, the following percentages of the maximum rate established for ICFs/IID in peer group 1 under division (C) of this section:

(i) Seven and one-tenth per cent if the provider of the ICF/IID obtains the department's approval to become a downsized ICF/IID and the approval is conditioned on the downsizing being completed not later than July 1, 2018;

(ii) Three and fifty-five hundredths per cent if division (D)(1)(c)(i) of this section does not apply to the ICF/IID.

(d) For fiscal year 2017 and each fiscal year thereafter ending in an odd-numbered calendar year, the amount calculated for the immediately preceding fiscal year under division (D)(1)(c) of this section.

(2) The efficiency incentive for an ICF/IID in peer group 2 or peer group 3 shall not exceed the following:

(a) For each fiscal year ending in an even-numbered calendar year, seven per cent of the maximum rate established for ICFs/IID in peer group 2 or peer group 3 under division (C) of this section;

(b) For each fiscal year ending in an odd-numbered calendar year, the amount calculated for the immediately preceding fiscal year under division (D)(2)(a) of this section.



(E)(1) When adjusting rates for inflation under divisions (B)(1), (C)(1)(a), and (C)(2)(a) of this section, the department shall estimate the rate of inflation for the eighteen-month period beginning on the first day of July of the calendar year immediately preceding the fiscal year in which the rate will be paid and ending on the thirty-first day of December of the fiscal year in which the rate will be paid. To estimate the rate of inflation, the department shall use the following:

(a) Subject to division (E)(1)(b) of this section, the consumer price index for all items for all urban consumers for the midwest region, published by the United States bureau of labor statistics;

(b) If the United States bureau of labor statistics ceases to publish the index specified in division (E)(1)(a) of this section, a comparable index that the bureau publishes and the department determines is appropriate.

(2) When adjusting rates for inflation under divisions (C)(1)(b) and (C)(2)(b) of this section, the department shall estimate the rate of inflation for the twelve-month period beginning on the first day of January of the fiscal year immediately preceding the fiscal year in which the rate will be paid and ending on the thirty-first day of December of the fiscal year in which the rate will be paid. To estimate the rate of inflation, the department shall use the following:

(a) Subject to division (E)(2)(b) of this section, the consumer price index for all items for all urban consumers for the midwest region, published by the United States bureau of labor statistics;

(b) If the United States bureau of labor statistics ceases to publish the index specified in division (E)(2)(a) of this section, a comparable index that the bureau publishes and the department determines is appropriate.

(3) If an inflation rate estimated under division (E)(1) or (2) of this section is different from the actual inflation rate for the relevant time period, as measured using the same index, the difference shall be added to or subtracted from the inflation rate estimated pursuant to this division for the following fiscal year.