

## OANH Premier Partners



## SNF Budget Picture Clarifies

### Administration provides insight into executive budget

The Kasich administration provided some details to the skilled nursing home trade associations on what to expect in the Governor's budget. In [documents](#) released by the Office of Health Transformation (OHT), the administration outlined their policy towards long-term care. Regarding skilled nursing facility (SNF) reimbursement, they would set all of the prices at the 25th percentile (capital is currently at the 50th percentile and direct care is at the 25th percentile plus seven percent) cutting almost \$400 million over the biennium. The consolidated services add-on will be moved into the direct care price component so that it would be adjusted for acuity. The OHT document also states that they are going to link nursing home payments to person-centered outcomes. The amount of the quality incentive is to increase from about 1.7% of rates to 8.75% of rates. Administration officials indicated that the increase will be from moving the franchise fee permit rate component and the workforce development component into the quality add-on component. There will be new person-centered quality measures that will be "achievable" by all facilities. These measures are to be created by the administration with stakeholder input.

Other changes related to SNF reimbursement include:

- Changing the FPF from \$11.95 to \$11.38 in SFY 2012 and \$11.60 in SFY 2013
- The number of Leave days are to be reduce from 30 to 15 and payment reduced from 50% to 25%, saving the state \$16 million over the biennium
- Crossover claims are to be paid based on the lesser of the Medicare or Medicaid rate

The executive budget proposal also moves funding for all long-term care services and supports into the ODJFS "525" line-item. The 525 line-item currently contains funding for most Medicaid services, including nursing homes. Putting all the funds in one line-item gives greater flexibility to the administration in how funds are used. Along similar lines, the administration will create a single waiver for all individuals requiring long-term care services and supports with consistent care management across populations. They will prioritize the waiver to reduce hospital and nursing home utilization. The administration also plans on continuing the work of a "front door" for seamless access to services and developing single point care coordination for hospital discharges.