

Agenda

- FY 2021 Medicaid Rates
- SNF Industry Trends
- PDPM Benchmarks
- Ohio Stimulus Payments
- Federal Stimulus Funding



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FY 2021 Medicaid Rates

- House Bill 481 signed by Governor DeWine on June 19, 2020
 - Increased the FY 2021 Quality Incentive Payment from 2.4% to 5.2% of the statewide average Medicaid rate (up to \$90 million)
 - Expands the exemption from the occupancy penalty for renovations and unavoidable closures
 - Eliminates the market basket adjustment
 - Sunsets the new quality program incentive language at 6.30.2021



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FY 2021 Medicaid Rates

- Changes:
 - 5165.25- Old Quality
 - PELI was replaced with the Ohio Department of Aging Consumer Survey
 - Resident Satisfaction Survey will be used for even-numbered State fiscal years
 - Family Satisfaction Survey will be used for odd-numbered State fiscal years
 - 2018 family data was used for FY 2021
 - Hospice exclusion was removed from short-stay antipsychotic medication measure
 - \$.52 per point





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SNF Industry Trends




SNF Industry Trends

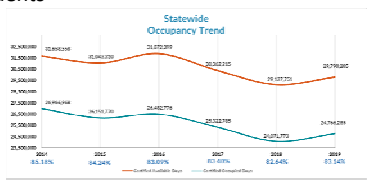
- Based on the 2019 Medicaid Cost Report data for all Ohio SNFs
- Derived from the Department of Medicaid's (ODM) cost report database
- 883 nursing facilities included



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SNF Industry Trends- Occupancy

- Certified Occupancy increase due to increase in residents



Year	Certified Occupancy	Available Capacity
2011	24,994,004	25,842,205
2012	24,793,730	25,840,070
2013	24,482,779	25,870,395
2014	23,123,785	25,502,715
2015	21,071,773	24,087,775
2016	21,744,284	24,779,300

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SNF Industry Trends- Medicaid Margin Analysis

Peer Group	2018 Rate	2018 Cost	2018 Margin	2019 Rate	2019 Cost	2019 Margin	% Change '18-'19
CSA1-L	\$ 207.21	\$ 238.89	\$ (31.68)	\$ 215.36	\$ 253.99	\$ (38.63)	(23.84%)
CSA1-S	203.75	263.01	(59.26)	210.33	258.53	(48.20)	18.66%
CSA2-L	200.33	223.57	(23.24)	207.81	227.08	(19.27)	17.08%
CSA2-S	203.40	229.25	(25.85)	210.24	231.86	(21.62)	16.30%
CSA3-L	187.38	205.49	(18.11)	195.08	208.30	(13.22)	27.00%
CSA3-S	187.68	205.60	(17.92)	194.48	209.74	(15.26)	14.84%
Statewide	\$ 199.23	\$ 225.81	(\$26.58)	\$206.29	\$228.99	(\$22.71)	14.54%
Percent Change from '18-'19				3.54%	1.41%	14.54%	



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SNF Industry Trends- Staffing Trends

Statewide- Hours per Patient Day	2014	2015	2016	2017	2018	2019
Administrative Nursing	0.14	0.14	0.14	0.14	0.16	0.15
RNs (Includes Charge Nurse)	0.52	0.52	0.50	0.50	0.52	0.51
LPNs (Includes Charge Nurse)	0.94	0.96	0.97	0.96	0.97	0.95
Aides (Includes Hab Aides)	2.32	2.30	2.27	2.23	2.23	2.14
Total Direct "Hands On" Care	3.78	3.77	3.73	3.69	3.72	3.61
Total Direct Care	3.94	3.93	3.89	3.85	3.91	3.79
Total Ancillary / Support	1.98	2.01	2.00	2.02	2.12	2.12
Total Facility Hours per Day	5.93	5.94	5.89	5.87	6.03	5.90



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SNF Industry Trends- Compensation Trends

Statewide- Wage per Hour	2014	2015	2016	2017	2018	2019
Administrative Nursing	34.95	35.89	36.49	37.61	38.18	39.48
RNs (Includes Charge Nurse)	25.81	26.27	27.18	28.43	29.36	30.36
LPNs (Includes Charge Nurse)	20.43	20.50	21.17	22.08	22.90	23.73
Aides (Includes Hab Aides)	11.94	12.24	12.69	13.42	13.96	14.79
Total Direct Care	16.58	16.91	17.47	18.37	19.16	20.09
Total Ancillary / Support	15.70	15.79	16.23	16.62	17.29	17.69
Total Benefits as a % of Salary	19.99%	19.20%	19.28%	19.13%	18.71%	18.62%



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Patient Driven Payment Model



PDPM – 4th quarter 2019

Location	CBSA	PT	OT	Nursing	LLP	NTA	Total Rate
Rural Ohio	35	172.87		218.11	41.07	201.89	334.04
Akron	10420	157.48		226.95	35.01	97.86	517.30
Canton Massillon	15940	151.20		217.50	39.84	95.44	503.98
Cincinnati	17240	167.17		253.05	35.72	118.56	574.50
Cleveland Elyria	17460	161.79		244.33	35.57	112.68	554.37
Columbus	18240	166.79		251.22	37.45	108.90	564.36
Dayton	19380	170.74		267.71	46.33	111.82	596.60
Lima	20620	162.52		236.83	29.59	99.20	528.13
Manfield	31900	154.58		238.07	32.76	97.50	522.91
Springfield	44200	157.56		254.13	36.06	110.76	558.51
Toledo	45780	164.90		246.58	37.49	122.47	571.44
Statewide Average		166.97		241.35	37.28	110.12	555.43



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Nursing

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Stimulus Funding






State Stimulus Funding

- Skilled Nursing Facilities-**
 - 21.15% of 6.30.2020 rate * 3 months of average monthly 2019 Medicaid days, including managed care days

6.30.2020 Medicaid Rate*	\$ 202.60
Additional Funding Factor	21.15%
Additional Funding Per Day	\$ 42.85
2019 MCD & MCD MyCare Days per Month**	1,383
Monthly Factor	3.00
Days	4,149
Estimated Additional Funding	\$ 177,784

* SWA 6.30.2020 Medicaid Rate
**Average 2018 Medicaid/Medicaid MyCare Days






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State Stimulus Funding

- Skilled Nursing Facilities Infection Control**
 - \$17.27 per day based on April 2020 Medicaid days
 - Dependent on Focused Infection Control Survey results



Infection Control Add-On	\$ 17.27
April 2020 Medicaid Days	1,383
Additional Funding	\$ 23,884

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State Stimulus Funding



- **Assisted Living**
 - \$500.51 per licensed bed
 - All licensed RCFs with an active ODH license as of July 2020 are eligible
- **RCFs participating in MyCare Ohio Waiver**
 - % of MyCare Waiver payments applied to total allocation of MyCare Waiver providers
- **Home Health Providers**
 - All Medicaid providers of home health services, private duty nursing, RN assessment and RN consultation services who billed for services in last 9 months
 - Approximately \$13.5 million will be allocated on the basis of 2019 or 2020 Medicaid revenue

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Federal Stimulus Funding

- **Temporary Suspension of Sequestration**
 - The current 2% withholding for sequestration will be eliminated for ALL Medicare providers
 - Effective for dates of service beginning May 1, 2020 through December 31, 2020
- **Medicare Accelerated Advance Payments**
 - Providers could request 100% of the Medicare payment amount for a three-month period
 - Paid back within 210 days from the funding date of the advance payments
 - Due to discussions on possibly delaying the timeframe to pay back this loan, CMS has opted not to start withholding payments at this time. We expect information to be released on timing in the near future.



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Federal Stimulus Funding

Paycheck Protection Program

- Paycheck Protection Program (PPP)- Provides forgivable SBA loans to businesses with 500 or fewer employees
- Allowed expense categories-
 - Payroll costs
 - Paid healthcare benefits, including sick pay, medical or family leave, and insurance premiums
 - Mortgage interest payment
 - Rent payments
 - Utility payments
 - Interest payments on other debts incurred before February 15, 2020
- Only applies to the allowed expenses incurred during the first 24 weeks after receiving loan proceeds
- Requires 60% of loan proceeds to be used for "covered payroll costs"

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Federal Stimulus Funding

Emergency Health Funding

PHASE 1

- \$50 billion of funds authorized for distribution to Medicare facilities
 - Tranche 1 - \$30B funded. Providers received 6.2% of 2019 MCR payments. Subject to terms and conditions.
 - Tranche 2 - \$20B funded. Distributed additional funds to providers with an intended result of granting 2% of 2018 net patient revenue to all provider participating in Medicare as of January 31, 2020
- \$4.9 billion of funds released to skilled nursing facilities beginning on May 22
 - Tranche 3 - \$50,000 per facility + \$2,500 per bed



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Federal Stimulus Funding

PHASE 2

- \$15 billion of funds authorized on June 9, 2020
 - Distribution to Medicaid and Children's Health Insurance Program (CHIP) providers
 - AL Waiver and/or AL Private-Pay providers whose tax identification number did not receive and were not eligible to receive funds from Phase 1 General Distribution to Medicare providers
 - Private Pay AL providers who share a TIN with a Medicare provider, such as a SNF or HHA, and whose revenue was not included under Phase 1
- Distribution equal to at least 2% of report gross revenues from patient care
- Deadline of September 21, 2020 for AL's to apply

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Federal Stimulus Funding

Phase 2, cont'd

Nursing Home Infection Control Distribution

- \$5 billion of funds authorized for distribution to nursing home providers
- Initial \$2.5 billion distributed on August 27, 2020
 - \$10,000 plus \$1,450 per bed
- \$2 billion expected to be tied to facilities that successfully mitigate the spread and spike of COVID-19 cases within their buildings
- Still waiting for release of final details

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Federal Stimulus Funding

Nursing Home Infection Control Distribution

- Expected methodology-
 - Measurement periods- September, October, November and December
 - Five \$400 million payments for each measurement period + 1 cumulative award

Performance Period	Tentative Payment Date	Tentative Audit Date
September 2020	October 2020	November 2020
October 2020	November 2020	December 2020
November 2020	December 2020	January 2021
December 2020	January 2021	February 2021
Aggregate	February 2021	March 2021

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Federal Stimulus Funding

Nursing Home Infection Control Distribution

- Expected methodology-
 - Providers are measured on two factors: 1) COVID-19 rate for the month, 2) COVID-19 Mortality rate for the month
 - Data will be pulled from the CDC NHCN portal to calculate averages
 - New residents who are positive upon admission do not count against the facility
 - Early estimates- monthly payments could range between \$500 - \$1,500 per bed

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Federal Stimulus Funding

PHASE 3

- For providers whose distributions did not cover their lost revenue and increased costs during the first 2 quarters of 2020
- Application will be required to show increased costs and lost revenue and the amounts received under Phase 1 and 2, as well as from state relief efforts

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Federal Stimulus Funding

Reconciliation and Reporting Requirements

- All providers receiving PRF payments exceeding \$10,000 in the aggregate will be subject to reporting and auditing requirements
- Reporting system is expected to become available on 10.1.2020
- Funds expended in 2020 will be required to be reported 45 days after calendar year end (February 15, 2021)
- Funds expended after 12.31.2020 must submit a second and final report no later than July 31, 2021
- Still waiting HHS release of the reporting requirements

- Single Audit Requirement- Organizations receiving over \$750,000 in funding



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Stimulus Funding

Cost Eligibility Criteria

The CARES Act requires that the payments from the CRF only be used to cover expenses that:

1. Are necessary expenditures incurred due to the public health emergency
2. Were not accounted for in the budget most recently approved as of 3.27.2020 (enactment of CARES Act) for the government; AND
3. Were incurred during the period of 3.1.2020 through 12.30.2020



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Stimulus Funding

Multiple Federal COVID Funding Sources

- No double dipping; the same costs cannot be presented to more than one program
 - Be aware of what you are covering with other federal funds such as HRSA Provider Relief Funds or the Paycheck Protection Program
- Make sure COVID funds from different sources are tracked separately
- If using multiple sources for revenue replacement, ensure appropriate accounting to identify which source is covering each reported revenue loss



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Stimulus Funding

Record Retention

- Maintain supporting records for 5 years after final payment is made of Coronavirus Relief Fund monies
- Records include but are not limited to:
 - General ledger and subsidiary ledger
 - Budget records from 2019 and 2020
 - Payroll, time records, human resource records to support cost incurred for payroll expenses
 - Receipt of purchases
 - Contracts and subcontracts
 - Grant agreements and grant sub-award agreements
 - Documentation of reports, audits, and other monitoring
 - Documentation supporting performance outcomes
 - Internal and external email/electronic communications related to use of funds



Investigative files and inquiry reports



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Questions?



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