

1 ENGROSSED HOUSE  
2 BILL NO. 2119

By: McEntire of the House

3 and

4 McCortney of the Senate  
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7 An Act relating to Medicaid; amending 56 O.S. 2011,  
8 Section 1011.5, as amended by Section 1, Chapter 489,  
9 O.S.L. 2019 (56 O.S. Supp. 2020, Section 1011.5),  
10 which relates to nursing facility reimbursement;  
11 providing for enhanced FMAP payments when certain  
12 funds are made available; and providing an effective  
13 date.

14 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

15 SECTION 1. AMENDATORY 56 O.S. 2011, Section 1011.5, as  
16 amended by Section 1, Chapter 489, O.S.L. 2019 (56 O.S. Supp. 2020,  
17 Section 1011.5), is amended to read as follows:

18 Section 1011.5 A. 1. The Oklahoma Health Care Authority shall  
19 develop an incentive reimbursement rate plan for nursing facilities  
20 focused on improving resident outcomes and resident quality of life.

21 2. Under the current rate methodology, the Authority shall  
22 reserve Five Dollars (\$5.00) per patient day designated for the  
23 quality assurance component that nursing facilities can earn for  
24 improvement or performance achievement of resident-centered outcomes

1 metrics. To fund the quality assurance component, Two Dollars  
2 (\$2.00) shall be deducted from each nursing facility's per diem  
3 rate, and matched with Three Dollars (\$3.00) per day funded by the  
4 Authority. Payments to nursing facilities that achieve specific  
5 metrics shall be treated as an "add back" to their net reimbursement  
6 per diem. Dollar values assigned to each metric shall be determined  
7 so that an average of the five-dollar-quality incentive is made to  
8 qualifying nursing facilities.

9 3. Pay-for-performance payments may be earned quarterly and  
10 based on facility-specific performance achievement of four equally  
11 weighted, Long-Stay Quality Measures as defined by the Centers for  
12 Medicare and Medicaid Services (CMS).

13 4. Contracted Medicaid long-term care providers may earn  
14 payment by achieving either five percent (5%) relative improvement  
15 each quarter from baseline or by achieving the National Average  
16 Benchmark or better for each individual quality metric.

17 5. Pursuant to federal Medicaid approval, any funds that remain  
18 as a result of providers failing to meet the quality assurance  
19 metrics shall be pooled and redistributed to those who achieve the  
20 quality assurance metrics each quarter. If federal approval is not  
21 received, any remaining funds shall be deposited in the Nursing  
22 Facility Quality of Care Fund authorized in Section 2002 of this  
23 title.

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1           6. The Authority shall establish an advisory group with  
2 consumer, provider and state agency representation to recommend  
3 quality measures to be included in the pay-for-performance program  
4 and to provide feedback on program performance and recommendations  
5 for improvement. The quality measures shall be reviewed annually  
6 and shall be subject to change every three (3) years through the  
7 agency's promulgation of rules. The Authority shall ~~insure~~ ensure  
8 adherence to the following criteria in determining the quality  
9 measures:

- 10           a. provides direct benefit to resident care outcomes,
- 11           b. applies to long-stay residents, and
- 12           c. addresses a need for quality improvement using the  
13               Centers for Medicare and Medicaid Services (CMS)  
14               ranking for Oklahoma.

15           7. The Authority shall begin the pay-for-performance program  
16 focusing on improving the following CMS nursing home quality  
17 measures:

- 18           a. percentage of long-stay, high-risk residents with  
19               pressure ulcers,
- 20           b. percentage of long-stay residents who lose too much  
21               weight,
- 22           c. percentage of long-stay residents with a urinary tract  
23               infection, and

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1           d.    percentage of long-stay residents who got an  
2                    antipsychotic medication.

3           B.    The Oklahoma Health Care Authority shall negotiate with the  
4 Centers for Medicare and Medicaid Services to include the authority  
5 to base provider reimbursement rates for nursing facilities on the  
6 criteria specified in subsection A of this section.

7           C.    To ensure continued quality, the Oklahoma Health Care  
8 Authority shall allocate to participating nursing facilities  
9 enhanced Federal Medical Assistance Percentage (FMAP) payments from  
10 funds made available to the state by the federal government during  
11 periods of public health emergencies. The Authority may not reduce  
12 other components of the nursing facility rate to offset increased  
13 revenue from temporarily enhanced FMAP payments.

14          D.    The Oklahoma Health Care Authority shall audit the program  
15 to ensure transparency and integrity.

16          ~~D.~~ E.    The Oklahoma Health Care Authority shall provide an  
17 annual report of the incentive reimbursement rate plan to the  
18 Governor, the Speaker of the House of Representatives, and the  
19 President Pro Tempore of the Senate by December 31 of each year.  
20 The report shall include, but not be limited to, an analysis of the  
21 previous fiscal year including incentive payments, ratings, and  
22 notable trends.

23          SECTION 2.   This act shall become effective November 1, 2021.  
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1 Passed the House of Representatives the 2nd day of March, 2021.

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4 Presiding Officer of the House  
of Representatives

5 Passed the Senate the \_\_\_\_ day of \_\_\_\_\_, 2021.

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9 Presiding Officer of the Senate