

1 STATE OF OKLAHOMA

2 1st Session of the 58th Legislature (2021)

3 HOUSE BILL 2119

By: McEntire

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5
6 AS INTRODUCED

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
metrics. To fund the quality assurance component, Two Dollars

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

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

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

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

23 6. The Authority shall establish an advisory group with
24 consumer, provider and state agency representation to recommend

1 quality measures to be included in the pay-for-performance program
2 and to provide feedback on program performance and recommendations
3 for improvement. The quality measures shall be reviewed annually
4 and shall be subject to change every three (3) years through the
5 agency's promulgation of rules. The Authority shall insure
6 adherence to the following criteria in determining the quality
7 measures:

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

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

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

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

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

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

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

21 SECTION 2. This act shall become effective November 1, 2021.

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23 58-1-5770 AB 01/06/21
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