

1 STATE OF OKLAHOMA

2 2nd Session of the 59th Legislature (2024)

3 SENATE BILL 1417

By: Rosino

4
5
6 AS INTRODUCED

7 An Act relating to the state Medicaid program;
8 amending 56 O.S. 2021, Section 1011.5, which relates
9 to the nursing facility incentive reimbursement rate
10 plan; modifying amount of certain reserved funds;
11 removing certain limitations on deductions and
12 payments; adding certain outcomes metrics; modifying
13 terminology; clarifying language; providing for
14 establishment of certain benchmarks; modifying
15 certain method of reporting; authorizing the Oklahoma
16 Health Care Authority to take certain actions
17 depending on certain factors; amending 63 O.S. 2021,
18 Section 1-1925.2, which relates to reimbursements
19 from the Nursing Facility Quality of Care Fund;
20 modifying and adding components in certain payment
21 methodology; requiring certain adjustments; removing
22 certain provisions relating to payment rates;
23 directing certain allocations; requiring development
24 of certain add-on rate; directing certain transition
of payment rate methodology; requiring the Authority
to implement certain scholarship program subject to
available funding; updating statutory language;
providing an effective date; and declaring an
emergency.

19
20 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

21 SECTION 1. AMENDATORY 56 O.S. 2021, Section 1011.5, is
22 amended to read as follows:

23 Section 1011.5. A. 1. The Oklahoma Health Care Authority
24 shall develop an incentive reimbursement rate plan for nursing
25

1 facilities focused on improving resident outcomes and resident
2 quality of life.

3 2. ~~Under the current rate methodology, the~~ The Authority shall
4 reserve funds above the average of Five Dollars (\$5.00) per patient
5 day designated for incentive payment in the currently approved
6 Medicaid state plan for the quality assurance component that nursing
7 facilities can earn for improvement or performance achievement of
8 resident-centered outcomes metrics. ~~To fund the quality assurance~~
9 ~~component, Two Dollars (\$2.00) shall be deducted from each nursing~~
10 ~~facility's per diem rate, and matched with Three Dollars (\$3.00) per~~
11 ~~day funded by the Authority. Payments to nursing facilities that~~
12 ~~achieve specific metrics shall be treated as an "add back" to their~~
13 ~~net reimbursement per diem. Dollar values assigned to each metric~~
14 ~~shall be determined so that an average of the five-dollar-quality~~
15 ~~incentive is made to qualifying nursing facilities~~ The Authority
16 shall determine the dollar amount for each resident-centered
17 outcomes metric under the incentive reimbursement rate plan.

18 3. Pay-for-performance payments to contracted nursing
19 facilities may be earned quarterly and shall be based on the
20 following outcomes metrics:

- 21 a. facility-specific performance achievement of four
22 ~~equally weighted~~ equally weighted, Long-Stay Quality
23 Measures, as defined by the Centers for Medicare and
24

- 1 Medicaid Services (CMS) and as provided by
2 subparagraph a of paragraph 6 of this subsection,
3 b. completion of required hours of a training component
4 as provided by subparagraph b of paragraph 6 of this
5 subsection,
6 c. achievement of staffing retention and direct care
7 component benchmarks as provided by subparagraph c of
8 paragraph 6 of this subsection, and
9 d. achievement of satisfaction survey benchmarks as
10 provided by subparagraph d of paragraph 6 of this
11 subsection.

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 benchmarks of the outcomes metrics established by this subsection
19 shall be pooled and redistributed to those who achieve the ~~quality~~
20 ~~assurance metrics~~ benchmarks each quarter. If federal approval is
21 not received, any remaining funds shall be deposited in the Nursing
22 Facility Quality of Care Fund authorized in Section 2002 of this
23 title.

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

- 12 a. provides direct benefit to resident care outcomes,
- 13 b. applies to long-stay residents, and
- 14 c. addresses a need for quality improvement using
15 criteria including, but not limited to, the Centers
16 for Medicare and Medicaid Services (CMS) ranking for
17 Oklahoma.

18 ~~7.~~ 6. The Authority shall ~~begin~~ administer the pay-for-
19 performance program ~~focusing on improving the following CMS nursing~~
20 ~~home quality measures~~ utilizing the following benchmarks for
21 outcomes metrics:

- 22 a. achievement of either five percent (5%) relative
23 improvement each quarter from baseline or by achieving
24 the national average benchmark or better for each of

1 the following equally weighted CMS Long-Stay Quality
2 Measures:

3 ~~a. percentage of long-stay, high-risk residents with~~
4 ~~pressure ulcers~~

5 (1) percentage of long-stay, high-risk residents with
6 falls,

7 ~~b. (2) percentage of long-stay residents who lose~~
8 ~~too much weight,~~

9 ~~c. (3) percentage of long-stay residents with a~~
10 ~~urinary tract infection, and~~

11 ~~d. (4) percentage of long-stay residents who got~~
12 ~~an antipsychotic medication,~~

13 b. completion of training hours required by the Authority
14 through distance learning or in-person training on:

15 (1) fall prevention,

16 (2) mental health care,

17 (3) techniques to manage care,

18 (4) pressure ulcer care, or

19 (5) any other subject approved by the Authority,

20 c. achievement of the following staffing retention and
21 direct care hour benchmarks:

22 (1) retention of not less than fifty percent (50%) of
23 registered nurses for twelve (12) months,

1 (2) retention of not less than sixty percent (60%) of
2 certified nurse aides for twelve (12) months, and
3 (3) provision of direct care hours every three (3)
4 months in accordance with a benchmark established
5 by the Authority, and

6 d. achievement of benchmarks established by the Authority
7 for satisfaction surveys of:

8 (1) residents and families of residents, and
9 (2) staff of the facility.

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

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

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

23 E. The Oklahoma Health Care Authority may change, add, or
24 exclude any outcomes metric from the incentive reimbursement rate
25

1 plan based on availability of funding, changes to metrics made by
2 the Centers for Medicare and Medicaid Services, and quality needs of
3 nursing facilities in this state as determined by the Authority.

4 SECTION 2. AMENDATORY 63 O.S. 2021, Section 1-1925.2, is
5 amended to read as follows:

6 Section 1-1925.2. A. The Oklahoma Health Care Authority shall
7 fully recalculate and reimburse nursing facilities and Intermediate
8 Care Facilities for Individuals with Intellectual Disabilities
9 (ICFs/IID) from the Nursing Facility Quality of Care Fund beginning
10 October 1, 2000, the average actual, audited costs reflected in
11 previously submitted cost reports for the cost-reporting period that
12 began July 1, 1998, and ended June 30, 1999, inflated by the
13 federally published inflationary factors for the two (2) years
14 appropriate to reflect present-day costs at the midpoint of the July
15 1, 2000, through June 30, 2001, rate year.

16 1. The recalculations provided for in this subsection shall be
17 consistent for both nursing facilities and Intermediate Care
18 Facilities for Individuals with Intellectual Disabilities
19 (ICFs/IID).

20 2. The recalculated reimbursement rate shall be implemented
21 September 1, 2000.

22 B. 1. From September 1, 2000, through August 31, 2001, all
23 nursing facilities subject to the Nursing Home Care Act, in addition
24 to other state and federal requirements related to the staffing of
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1 nursing facilities, shall maintain the following minimum direct-
2 care-staff-to-resident ratios:

- 3 a. from 7:00 a.m. to 3:00 p.m., one direct-care staff to
4 every eight residents, or major fraction thereof,
- 5 b. from 3:00 p.m. to 11:00 p.m., one direct-care staff to
6 every twelve residents, or major fraction thereof, and
- 7 c. from 11:00 p.m. to 7:00 a.m., one direct-care staff to
8 every seventeen residents, or major fraction thereof.

9 2. From September 1, 2001, through August 31, 2003, nursing
10 facilities subject to the Nursing Home Care Act and Intermediate
11 Care Facilities for Individuals with Intellectual Disabilities
12 (ICFs/IID) with seventeen or more beds shall maintain, in addition
13 to other state and federal requirements related to the staffing of
14 nursing facilities, the following minimum direct-care-staff-to-
15 resident ratios:

- 16 a. from 7:00 a.m. to 3:00 p.m., one direct-care staff to
17 every seven residents, or major fraction thereof,
- 18 b. from 3:00 p.m. to 11:00 p.m., one direct-care staff to
19 every ten residents, or major fraction thereof, and
- 20 c. from 11:00 p.m. to 7:00 a.m., one direct-care staff to
21 every seventeen residents, or major fraction thereof.

22 3. On and after October 1, 2019, nursing facilities subject to
23 the Nursing Home Care Act and Intermediate Care Facilities for
24 Individuals with Intellectual Disabilities (ICFs/IID) with seventeen
25

1 or more beds shall maintain, in addition to other state and federal
2 requirements related to the staffing of nursing facilities, the
3 following minimum direct-care-staff-to-resident ratios:

- 4 a. from 7:00 a.m. to 3:00 p.m., one direct-care staff to
5 every six residents, or major fraction thereof,
- 6 b. from 3:00 p.m. to 11:00 p.m., one direct-care staff to
7 every eight residents, or major fraction thereof, and
- 8 c. from 11:00 p.m. to 7:00 a.m., one direct-care staff to
9 every fifteen residents, or major fraction thereof.

10 4. Effective immediately, facilities shall have the option of
11 varying the starting times for the eight-hour shifts by one (1) hour
12 before or one (1) hour after the times designated in this section
13 without overlapping shifts.

14 5. a. On and after January 1, 2020, a facility may implement
15 twenty-four-hour-based staff scheduling; provided,
16 however, such facility shall continue to maintain a
17 direct-care service rate of at least two and nine
18 tenths (2.9) hours of direct-care service per resident
19 per day, the same to be calculated based on average
20 direct care staff maintained over a twenty-four-hour
21 period.

22 b. At no time shall direct-care staffing ratios in a
23 facility with twenty-four-hour-based staff-scheduling
24 privileges fall below one direct-care staff to every
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1 fifteen residents or major fraction thereof, and at
2 least two direct-care staff shall be on duty and awake
3 at all times.

4 c. As used in this paragraph, "twenty-four-hour-based-
5 scheduling" means maintaining:

6 (1) a direct-care-staff-to-resident ratio based on
7 overall hours of direct-care service per resident
8 per day rate of not less than two and ninety one-
9 hundredths (2.90) hours per day,

10 (2) a direct-care-staff-to-resident ratio of at least
11 one direct-care staff person on duty to every
12 fifteen residents or major fraction thereof at
13 all times, and

14 (3) at least two direct-care staff persons on duty
15 and awake at all times.

16 6. a. On and after January 1, 2004, the State Department of
17 Health shall require a facility to maintain the shift-
18 based, staff-to-resident ratios provided in paragraph
19 3 of this subsection if the facility has been
20 determined by the Department to be deficient with
21 regard to:

22 (1) the provisions of paragraph 3 of this subsection,

23 (2) fraudulent reporting of staffing on the Quality
24 of Care Report, or
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1 (3) a complaint or survey investigation that has
2 determined substandard quality of care as a
3 result of insufficient staffing.

4 b. The Department shall require a facility described in
5 subparagraph a of this paragraph to achieve and
6 maintain the shift-based, staff-to-resident ratios
7 provided in paragraph 3 of this subsection for a
8 minimum of three (3) months before being considered
9 eligible to implement twenty-four-hour-based staff
10 scheduling as defined in subparagraph c of paragraph 5
11 of this subsection.

12 c. Upon a subsequent determination by the Department that
13 the facility has achieved and maintained for at least
14 three (3) months the shift-based, staff-to-resident
15 ratios described in paragraph 3 of this subsection,
16 and has corrected any deficiency described in
17 subparagraph a of this paragraph, the Department shall
18 notify the facility of its eligibility to implement
19 twenty-four-hour-based staff-scheduling privileges.

20 7. a. For facilities that utilize twenty-four-hour-based
21 staff-scheduling privileges, the Department shall
22 monitor and evaluate facility compliance with the
23 twenty-four-hour-based staff-scheduling staffing
24 provisions of paragraph 5 of this subsection through

1 reviews of monthly staffing reports, results of
2 complaint investigations and inspections.

3 b. If the Department identifies any quality-of-care
4 problems related to insufficient staffing in such
5 facility, the Department shall issue a directed plan
6 of correction to the facility found to be out of
7 compliance with the provisions of this subsection.

8 c. In a directed plan of correction, the Department shall
9 require a facility described in subparagraph b of this
10 paragraph to maintain shift-based, staff-to-resident
11 ratios for the following periods of time:

12 (1) the first determination shall require that shift-
13 based, staff-to-resident ratios be maintained
14 until full compliance is achieved,

15 (2) the second determination within a two-year period
16 shall require that shift-based, staff-to-resident
17 ratios be maintained for a minimum period of
18 twelve (12) months, and

19 (3) the third determination within a two-year period
20 shall require that shift-based, staff-to-resident
21 ratios be maintained. The facility may apply for
22 permission to use twenty-four-hour staffing
23 methodology after two (2) years.

1 C. Effective September 1, 2002, facilities shall post the names
2 and titles of direct-care staff on duty each day in a conspicuous
3 place, including the name and title of the supervising nurse.

4 D. The State Commissioner of Health shall promulgate rules
5 prescribing staffing requirements for Intermediate Care Facilities
6 for Individuals with Intellectual Disabilities serving six or fewer
7 clients (ICFs/IID-6) and for Intermediate Care Facilities for
8 Individuals with Intellectual Disabilities serving sixteen or fewer
9 clients (ICFs/IID-16).

10 E. Facilities shall have the right to appeal and to the
11 informal dispute resolution process with regard to penalties and
12 sanctions imposed due to staffing noncompliance.

13 F. 1. When the state Medicaid program reimbursement rate
14 reflects the sum of Ninety-four Dollars and eleven cents (\$94.11),
15 plus the increases in actual audited costs over and above the actual
16 audited costs reflected in the cost reports submitted for the most
17 current cost-reporting period and the costs estimated by the
18 Oklahoma Health Care Authority to increase the direct-care, flexible
19 staff-scheduling staffing level from two and eighty-six one-
20 hundredths (2.86) hours per day per occupied bed to three and two-
21 tenths (3.2) hours per day per occupied bed, all nursing facilities
22 subject to the provisions of the Nursing Home Care Act and
23 Intermediate Care Facilities for Individuals with Intellectual
24 Disabilities (ICFs/IID) with seventeen or more beds, in addition to

1 other state and federal requirements related to the staffing of
2 nursing facilities, shall maintain direct-care, flexible staff-
3 scheduling staffing levels based on an overall three and two-tenths
4 (3.2) hours per day per occupied bed.

5 2. When the state Medicaid program reimbursement rate reflects
6 the sum of Ninety-four Dollars and eleven cents (\$94.11), plus the
7 increases in actual audited costs over and above the actual audited
8 costs reflected in the cost reports submitted for the most current
9 cost-reporting period and the costs estimated by the Oklahoma Health
10 Care Authority to increase the direct-care flexible staff-scheduling
11 staffing level from three and two-tenths (3.2) hours per day per
12 occupied bed to three and eight-tenths (3.8) hours per day per
13 occupied bed, all nursing facilities subject to the provisions of
14 the Nursing Home Care Act and Intermediate Care Facilities for
15 Individuals with Intellectual Disabilities (ICFs/IID) with seventeen
16 or more beds, in addition to other state and federal requirements
17 related to the staffing of nursing facilities, shall maintain
18 direct-care, flexible staff-scheduling staffing levels based on an
19 overall three and eight-tenths (3.8) hours per day per occupied bed.

20 3. When the state Medicaid program reimbursement rate reflects
21 the sum of Ninety-four Dollars and eleven cents (\$94.11), plus the
22 increases in actual audited costs over and above the actual audited
23 costs reflected in the cost reports submitted for the most current
24 cost-reporting period and the costs estimated by the Oklahoma Health

1 Care Authority to increase the direct-care, flexible staff-
2 scheduling staffing level from three and eight-tenths (3.8) hours
3 per day per occupied bed to four and one-tenth (4.1) hours per day
4 per occupied bed, all nursing facilities subject to the provisions
5 of the Nursing Home Care Act and Intermediate Care Facilities for
6 Individuals with Intellectual Disabilities (ICFs/IID) with seventeen
7 or more beds, in addition to other state and federal requirements
8 related to the staffing of nursing facilities, shall maintain
9 direct-care, flexible staff-scheduling staffing levels based on an
10 overall four and one-tenth (4.1) hours per day per occupied bed.

11 4. The Commissioner shall promulgate rules for shift-based,
12 staff-to-resident ratios for noncompliant facilities denoting the
13 incremental increases reflected in direct-care, flexible staff-
14 scheduling staffing levels.

15 5. In the event that the state Medicaid program reimbursement
16 rate for facilities subject to the Nursing Home Care Act, and
17 Intermediate Care Facilities for Individuals with Intellectual
18 Disabilities (ICFs/IID) having seventeen or more beds is reduced
19 below actual audited costs, the requirements for staffing ratio
20 levels shall be adjusted to the appropriate levels provided in
21 paragraphs 1 through 4 of this subsection.

22 G. For purposes of this subsection:

23 1. "Direct-care staff" means any nursing or therapy staff who
24 provides direct, hands-on care to residents in a nursing facility;

1 2. Prior to September 1, 2003, activity and social services
2 staff who are not providing direct, hands-on care to residents may
3 be included in the direct-care-staff-to-resident ratio in any shift.
4 On and after September 1, 2003, such persons shall not be included
5 in the direct-care-staff-to-resident ratio, regardless of their
6 licensure or certification status; and

7 3. The administrator shall not be counted in the direct-care-
8 staff-to-resident ratio regardless of the administrator's licensure
9 or certification status.

10 H. 1. The Oklahoma Health Care Authority shall require all
11 nursing facilities subject to the provisions of the Nursing Home
12 Care Act and Intermediate Care Facilities for Individuals with
13 Intellectual Disabilities (ICFs/IID) with seventeen or more beds to
14 submit a monthly report on staffing ratios on a form that the
15 Authority shall develop.

16 2. The report shall document the extent to which such
17 facilities are meeting or are failing to meet the minimum direct-
18 care-staff-to-resident ratios specified by this section. Such
19 report shall be available to the public upon request.

20 3. The Authority may assess administrative penalties for the
21 failure of any facility to submit the report as required by the
22 Authority. Provided, however:

1 a. administrative penalties shall not accrue until the
2 Authority notifies the facility in writing that the
3 report was not timely submitted as required, and

4 b. a minimum of a one-day penalty shall be assessed in
5 all instances.

6 4. Administrative penalties shall not be assessed for
7 computational errors made in preparing the report.

8 5. Monies collected from administrative penalties shall be
9 deposited in the Nursing Facility Quality of Care Fund and utilized
10 for the purposes specified in the Oklahoma Healthcare Initiative
11 Act.

12 I. 1. All entities regulated by this state that provide long-
13 term care services shall utilize a single assessment tool to
14 determine client services needs. The tool shall be developed by the
15 Oklahoma Health Care Authority in consultation with the State
16 Department of Health.

17 2. a. The Oklahoma Nursing Facility Funding Advisory
18 Committee is hereby created and shall consist of the
19 following:

20 (1) four members selected by the Oklahoma Association
21 of Health Care Providers,

22 (2) three members selected by the Oklahoma
23 Association of Homes and Services for the Aging,

24 and
25

1 (3) two members selected by the State Council on
2 Aging.

3 The Chair shall be elected by the committee. No state
4 employees may be appointed to serve.

5 b. The purpose of the advisory committee will be to
6 develop a new methodology for calculating state
7 Medicaid program reimbursements to nursing facilities
8 by implementing facility-specific rates based on
9 expenditures relating to direct care staffing. No
10 nursing home will receive less than the current rate
11 at the time of implementation of facility-specific
12 rates pursuant to this subparagraph.

13 c. The advisory committee shall be staffed and advised by
14 the Oklahoma Health Care Authority.

15 d. The new methodology will be submitted for approval to
16 the Board of the Oklahoma Health Care Authority by
17 January 15, 2005, and shall be finalized by July 1,
18 2005. The new methodology will apply only to new
19 funds that become available for Medicaid nursing
20 facility reimbursement after the methodology of this
21 paragraph has been finalized. Existing funds paid to
22 nursing homes will not be subject to the methodology
23 of this paragraph. The methodology as outlined in
24 this paragraph will only be applied to any new funding

1 for nursing facilities appropriated above and beyond
2 the funding amounts effective on January 15, 2005.

3 e. The new methodology shall divide the payment into two
4 components:

5 (1) ~~direct care which~~ the nursing rate component,
6 which shall consist of direct care and a nurse
7 aide wage and promotion scale if utilized.

8 (a) Direct care includes allowable costs for
9 registered nurses, licensed practical
10 nurses, certified medication aides and
11 certified nurse aides. The direct care
12 component of the rate shall be a facility-
13 specific rate, directly related to each
14 facility's actual expenditures on direct
15 care.

16 (b) Effective July 1, 2025, the Authority shall
17 design and implement an optional nurse aide
18 wage and promotion scale for nursing
19 facilities. This program shall provide
20 qualifying facilities with a subsidy
21 payment, and

22 (2) other costs.
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1 f. The Oklahoma Health Care Authority, in calculating the
2 base year prospective direct care rate component,
3 shall use the following criteria:

4 (1) to construct an array of facility per diem
5 allowable expenditures on direct care, the
6 Authority shall use the most recent data
7 available. The limit on this array shall be no
8 less than the ninetieth percentile,

9 (2) each facility's direct care base-year component
10 of the rate shall be the lesser of the facility's
11 allowable expenditures on direct care or the
12 limit,

13 (3) effective July 1, 2025, the direct care payment
14 amount of each facility shall be adjusted to
15 reflect the resident case mix of each facility
16 using a percentage of funds in the direct care
17 pool as determined by the Authority,

18 (4) other rate components shall be determined by the
19 Oklahoma Nursing Facility Funding Advisory
20 Committee of the Authority in accordance with
21 federal regulations and requirements,

22 ~~(4)~~ (5) prior to July 1, 2020, the Authority shall
23 seek federal approval to calculate the upper
24 payment limit under the authority of CMS
25

1 utilizing the Medicare equivalent payment rate,
2 and

3 ~~(5)~~ (6) if Medicaid payment rates to providers are
4 adjusted, nursing home rates and Intermediate
5 Care Facilities for Individuals with Intellectual
6 Disabilities (ICFs/IID) rates shall not be
7 adjusted less favorably than the average
8 percentage-rate reduction or increase applicable
9 to the majority of other provider groups.

10 ~~g. (1) Effective October 1, 2019, if sufficient funding~~
11 ~~is appropriated for a rate increase, a new~~
12 ~~average rate for nursing facilities shall be~~
13 ~~established. The rate shall be equal to the~~
14 ~~statewide average cost as derived from audited~~
15 ~~cost reports for SFY 2018, ending June 30, 2018,~~
16 ~~after adjustment for inflation. After such new~~
17 ~~average rate has been established, the facility~~
18 ~~specific reimbursement rate shall be as follows:~~
19 ~~(a) amounts up to the existing base rate amount~~
20 ~~shall continue to be distributed as a part~~
21 ~~of the base rate in accordance with the~~
22 ~~existing State Plan, and~~
23 ~~(b) to the extent the new rate exceeds the rate~~
24 ~~effective before the effective date of this~~

1 ~~act, fifty percent (50%) of the resulting~~
2 ~~increase on October 1, 2019, shall be~~
3 ~~allocated toward an increase of the existing~~
4 ~~base reimbursement rate and distributed~~
5 ~~accordingly. The remaining fifty percent~~
6 ~~(50%) of the increase shall be allocated in~~
7 ~~accordance with the currently approved 70/30~~
8 ~~reimbursement rate methodology as outlined~~
9 ~~in the existing State Plan.~~

10 ~~(2) Any subsequent rate increases, as determined~~
11 ~~based on the provisions set forth in this~~
12 ~~subparagraph,~~

13 (7) effective July 1, 2025, the base rate of each
14 facility shall be adjusted by a percentage
15 determined by the Authority based on the
16 facility's performance in the CMS Five-Star
17 Quality Rating System or similar program if the
18 CMS Five-Star Quality Rating System is
19 discontinued,

20 (8) subsequently, for any new funds, seventy percent
21 (70%) shall be allocated in accordance with the
22 ~~currently approved 70/30 reimbursement rate~~
23 ~~methodology~~ to the direct care component of the
24 nursing rate and thirty percent (30%) shall be

1 allocated for other costs under the nursing rate.

2 The rate shall not exceed the upper payment limit
3 established by the Medicare rate equivalent
4 established by the federal CMS,

5 (9) upon the effective date of this act, subject to
6 the availability of funds, the Authority shall
7 develop an add-on rate for nursing facilities
8 serving residents who have received a
9 tracheostomy. The Authority shall establish
10 eligibility requirements for the add-on rate, and

11 (10) the Authority shall transition the payment rate
12 methodology of nursing facilities to a price-
13 based methodology when data for such a
14 methodology becomes available and has been
15 analyzed by the Authority.

16 ~~h.~~ g. Effective October 1, 2019, in coordination with the
17 rate adjustments identified in the preceding section,
18 a portion of the funds shall be utilized as follows:

19 (1) effective October 1, 2019, the Oklahoma Health
20 Care Authority shall increase the personal needs
21 allowance for residents of nursing homes and
22 Intermediate Care Facilities for Individuals with
23 Intellectual Disabilities (ICFs/IID) from Fifty
24 Dollars (\$50.00) per month to Seventy-five

1 Dollars (\$75.00) per month per resident. The
2 increase shall be funded by Medicaid nursing home
3 providers, by way of a reduction of eighty-two
4 cents (\$0.82) per day deducted from the base
5 rate. Any additional cost shall be funded by the
6 Nursing Facility Quality of Care Fund, and

7 (2) effective January 1, 2020, all clinical employees
8 working in a licensed nursing facility shall be
9 required to receive at least four (4) hours
10 annually of Alzheimer's or dementia training, to
11 be provided and paid for by the facilities.

12 3. The Department of Human Services shall expand its statewide
13 toll-free, Senior-Info Line for senior citizen services to include
14 assistance with or information on long-term care services in this
15 state.

16 4. The Oklahoma Health Care Authority shall develop a nursing
17 facility cost-reporting system that reflects the most current costs
18 experienced by nursing and specialized facilities. The Oklahoma
19 Health Care Authority shall utilize the most current cost report
20 data to estimate costs in determining daily per diem rates.

21 5. The Oklahoma Health Care Authority shall provide access to
22 the detailed Medicaid payment audit adjustments and implement an
23 appeal process for disputed payment audit adjustments to the
24 provider. Additionally, the Oklahoma Health Care Authority shall

1 make sufficient revisions to the nursing facility cost reporting
2 forms and electronic data input system so as to clarify what
3 expenses are allowable and appropriate for inclusion in cost
4 calculations.

5 J. 1. When the state Medicaid program reimbursement rate
6 reflects the sum of Ninety-four Dollars and eleven cents (\$94.11),
7 plus the increases in actual audited costs, over and above the
8 actual audited costs reflected in the cost reports submitted for the
9 most current cost-reporting period, and the direct-care, flexible
10 staff-scheduling staffing level has been prospectively funded at
11 four and one-tenth (4.1) hours per day per occupied bed, the
12 Authority may apportion funds for the implementation of the
13 provisions of this section.

14 2. The Authority shall make application to the United States
15 Centers for Medicare and Medicaid Service for a waiver of the
16 uniform requirement on health-care-related taxes as permitted by
17 Section 433.72 of 42 C.F.R.

18 3. Upon approval of the waiver, the Authority shall develop a
19 program to implement the provisions of the waiver as it relates to
20 all nursing facilities.

21 K. Subject to the availability of funds, the Authority shall
22 design and implement a scholarship program for nurse aides who work
23 in Medicaid-certified nursing facilities or Intermediate Care

1 Facilities for Individuals with Intellectual Disabilities

2 (ICFs/IID).

3 SECTION 3. This act shall become effective July 1, 2024.

4 SECTION 4. It being immediately necessary for the preservation
5 of the public peace, health or safety, an emergency is hereby
6 declared to exist, by reason whereof this act shall take effect and
7 be in full force from and after its passage and approval.

8
9 59-2-2722 DC 12/15/2023 3:47:15 PM