



## Ohio Administrative Code

### Rule 5160-3-30.4 Nursing facilities (NFs), nursing homes (NHs), and long term care hospital beds: procedure for terminating the franchise permit fee (FPF).

Effective: June 24, 2016

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#### (A) Definitions.

"Effective FPF termination date" (EFTD) means the date on which the centers for medicare and medicaid services (CMS) determines that the FPF does not qualify for federal financial participation.

#### (B) Determination of the FPF as an impermissible health care related tax.

If CMS determines that the FPF is an impermissible health care related tax, the Ohio department of medicaid (ODM) shall take all necessary actions to cease implementation of the FPF program, pursuant to section 5168.42 of the Revised Code.

#### (C) Notification.

ODM shall notify each facility previously assessed the FPF of the effective date of the termination of the FPF program, and what impact this change will have on the facility.

#### (D) Reconciliation procedure.

ODM shall conduct an accounting of the funds paid to or collected from each facility as a result of the FPF program and shall do all of the following:

##### (1) Reconcile FPFs paid by NFs, NHs, and hospitals.

(a) The annual assessment of the FPF shall be prorated on a daily basis.

(b) FPF assessments for the days preceding the EFTD shall remain due and payable.



(c) Collection shall be pursued in accordance with sections 5168.51 and 5168.55 of the Revised Code.

(d) FPF assessments issued for days on and after the EFTD shall be rescinded.

(i) ODM shall issue refunds to NHs and hospitals for any FPF remittances representing payment for daily fees on or beyond the EFTD, unless a NF or skilled nursing facility/nursing facility (SNF/NF) has already received medicaid payment for service dates described in paragraph (D)(3) of this rule.

(ii) The source of the refunds shall be the funds established by the FPF assessments as set forth in section 5168.54 of the Revised Code, if necessary, to each NH and hospital assessed the FPF.

(2) Adjust NF rates set by ODM that include reimbursement for FPF assessment payments by medicaid certified NFs and SNF/NFs. ODM shall adjust the per diem rate of a NF to remove any FPF reimbursement-related amount retroactively and/or prospectively from the rate for dates of service on and after EFTD.

(3) Reconcile paid claims for service dates on and following the EFTD with rates adjusted according to paragraph (D)(2) of this rule.

(a) Active providers.

(i) If claims have already been submitted to ODM and processed for dates of service on or after the EFTD, ODM shall offset the amount of overpayment received with the amount of refund due from paragraph (D)(1) of this rule.

(ii) If the offset results in amounts owed to the facility, refunds shall be issued.

(iii) If the offset results in amounts owed to ODM, the amount payable may be collected via offsets of future payments.

(b) Inactive providers.



- (i) If claims have already been submitted to ODM and processed for dates of service on or after the EFTD by a NF or SNF/NF provider that no longer participates in the medicaid program, ODM shall offset the amount of overpayment received with the amount of refund due from paragraph (D)(1) of this rule.
  
- (ii) If the offset results in amounts owed to the facility, refunds shall be issued if the provider has furnished an adequate forwarding address.
  
- (iii) If the offset results in amounts owed to ODM, the amount payable may be collected via direct payment from the provider.
  
- (iv) Failure to provide payment may result in certification to the attorney general for collection as set forth in section 5168.55 of the Revised Code.