



Ohio Revised Code

Section 5124.19 ICF/IID's per medicaid day direct care costs component rate.

Effective: September 15, 2014

Legislation: House Bill 483 - 130th General Assembly

(A)(1) For each fiscal year, the department of developmental disabilities shall determine each ICF/IID's per medicaid day payment rate for direct care costs as follows:

(a) Multiply the lesser of the following by the ICF/IID's annual average case-mix score determined or assigned under section 5124.192 of the Revised Code for the calendar year immediately preceding the fiscal year for which the rate will be paid:

(i) The ICF/IID's cost per case-mix unit for the calendar year immediately preceding the fiscal year for which the rate will be paid, as determined under division (B) of this section;

(ii) The maximum cost per case-mix unit for the ICF/IID's peer group for the fiscal year for which the rate will be paid, as set under division (C) of this section;

(b) Adjust the product determined under division (A)(1)(a) of this section by the inflation rate estimated under division (D)(1) of this section and modified under division (D)(2) of this section.

(2) Except as otherwise directed by law enacted by the general assembly, the department shall determine each ICF/IID's rate for direct care costs prospectively.

(B) To determine an ICF/IID's cost per case-mix unit for the calendar year immediately preceding the fiscal year in which the rate will be paid, the department shall divide the ICF/IID's desk-reviewed, actual, allowable, per diem direct care costs for that calendar year by its annual average case-mix score determined under section 5124.192 of the Revised Code for the same calendar year.

(C)(1) For each fiscal year for which a rate will be paid, the department shall set the maximum cost per case-mix unit for ICFs/IID in peer group 1 at a percentage above the cost per case-mix unit determined under division (B) of this section for the ICF/IID in peer group 1 that has the peer



group's median number of medicaid days for the calendar year immediately preceding the fiscal year in which the rate will be paid. The percentage shall be no less than twenty-two and forty-six hundredths per cent.

(2) For each fiscal year for which a rate will be paid, the department shall set the maximum cost per case-mix unit for ICFs/IID in peer group 2 at a percentage above the cost per case-mix unit determined under division (B) of this section for the ICF/IID in peer group 2 that has the peer group's median number of medicaid days for the calendar year immediately preceding the fiscal year in which the rate will be paid. The percentage shall be no less than eighteen and eight-tenths per cent.

(3) For each fiscal year for which a rate will be paid, the department shall set the maximum cost per case-mix unit for ICFs/IID in peer group 3 at the ninety-fifth percentile of all ICFs/IID in peer group 3 for the calendar year immediately preceding the fiscal year in which the rate will be paid.

(4) In determining the maximum cost per case-mix unit under divisions (C)(1) and (2) of this section for peer group 1 and peer group 2, the department shall exclude from its determinations the cost per case-mix unit of any ICF/IID in peer group 1 or peer group 2 that participated in the medicaid program under the same provider for less than twelve months during the calendar year immediately preceding the fiscal year in which the rate will be paid.

(5) The department shall not reset a peer group's maximum cost per case-mix unit for a fiscal year under division (C)(1), (2), or (3) of this section based on additional information that it receives after it sets the maximum for that fiscal year. The department shall reset a peer group's maximum cost per case-mix unit for a fiscal year only if it made an error in setting the maximum for that fiscal year based on information available to the department at the time it originally sets the maximum for that fiscal year.

(D)(1) The department shall estimate the rate of inflation for the eighteen-month period beginning on the first day of July of the calendar year preceding the fiscal year in which a rate will be paid and ending on the thirty-first day of December of the fiscal year in which the rate will be paid, using the following:



- (a) Subject to division (D)(1)(b) of this section, the employment cost index for total compensation, health care and social assistance component, published by the United States bureau of labor statistics;
- (b) If the United States bureau of labor statistics ceases to publish the index specified in division (D)(1)(a) of this section, the index that is subsequently published by the bureau and covers the staff costs of ICFs/IID.
- (2) If the estimated inflation rate for the eighteen-month period specified in division (D)(1) of this section is different from the actual inflation rate for that period, as measured using the same index, the difference shall be added to or subtracted from the inflation rate estimated under division (D)(1) of this section for the following fiscal year.