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H.B. 461
134th General Assembly

Bill Analysis

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Version: As Reported by House Economic and Workforce Development

Primary Sponsor: Rep. Carruthers

Erika Kramer, Attorney

SUMMARY

- Establishes a private room per day payment rate to be added as part of a nursing facility's per Medicaid day payment rate.
- Provides that the private room per day payment is available for each nursing facility provider that has provided services to a Medicaid recipient in a private room beginning on or after July 1, 2022.
- Sets the nursing facility private room per day rate for FY 2023 at \$25 and requires the Department of Medicaid to determine the rate for subsequent fiscal years.
- Specifies how to calculate a nursing facility's private room capacity.
- Prohibits a nursing facility provider from billing the Department for more private rooms in one day than the facility's private room capacity and permits the Department to recoup excess payments.
- Requires the Department to calculate the initial private room capacity for each nursing facility within 60 days of the bill's effective date, or of the date a new nursing facility is certified by the U.S. Centers for Medicare and Medicaid Services (CMS).
- Requires each nursing facility provider to notify the Department if the provider removes Medicaid beds licensed by the Department of Health or surrenders beds that were certified by CMS.
- Requires the Department of Medicaid to adjust the facility's private room capacity within 60 days of receiving such a notice.

DETAILED ANALYSIS

Nursing facility private room payment

The bill establishes a private room per day rate to be added as part of a nursing facility's per Medicaid day payment rate calculation. The private room per day rate is added to the per Medicaid day payment rate for each nursing facility provider that has provided services to a Medicaid recipient in a private room beginning on or after July 1, 2022.¹ A private room is a room with permanent walls that contains one licensed or certified bed that is occupied by one individual, with direct unshared access to a hallway, and direct unshared access to a toilet and sink shared by no more than one other room, and that meets all applicable licensure and other building and safety standards.²

Under current law, a nursing facility's per Medicaid day payment rate is calculated as follows:

1. Determine the sum of each facility's: ancillary and support costs, capital costs, direct costs, and tax costs (collectively known as "cost centers");
2. If the facility qualifies as a critical access nursing facility, add to (1) the facility's critical access incentive payment;
3. To the sum under (2) above, add \$16.44;
4. To that sum, subtract \$1.79.

The bill adds a new component to the above calculation and requires the private room per day payment rate to be added as part of the sum under steps (1) and (2) above, to which \$16.44 under step (3) is added.³

Payment amount

For FY 2023 (July 1, 2022 through June 30, 2023), the nursing facility private room per day rate is \$25. The bill requires the Department of Medicaid to determine the private room per day rate for subsequent fiscal years.⁴

Private room capacity

As part of the payment amount calculation, the bill establishes a methodology to calculate a nursing facility's private room capacity. Private room capacity means the total number of private rooms in the facility for purposes of the private room per day payment. After a facility's private room capacity is initially calculated, it can change only if the facility removes

¹ R.C. 5165.27(A).

² R.C. 5165.01(LL).

³ R.C. 5165.15.

⁴ R.C. 5165.27(B).

licensed beds from its licensed capacity or, if the facility is not licensed, if the facility surrenders beds that have been certified by the U.S. Centers for Medicare and Medicaid Services (CMS). A nursing facility's private room capacity is calculated as follows:

1. Determine the number of resident rooms in the nursing facility that are occupied by or are available to be occupied by a resident during the fiscal year;
2. Determine the number of licensed beds during the fiscal year, or if the facility is not licensed, the number of certified beds;
3. Subtract the sum under (1) from the sum under (2);
4. Subtract the sum under (3) from the sum under (1).⁵

The bill prohibits a nursing facility provider from billing the Department for more private rooms in one day than the facility's private room capacity and permits the Department to recoup any such excess payments, including by using vendor offsets.⁶

Initial private room capacity

The Department must calculate the initial private room capacity for each Ohio nursing facility within 60 days of the bill's effective date for existing nursing facilities, or within 60 days of the date the facility is certified as a nursing facility by CMS for new nursing facilities.⁷

Change in private room capacity

The bill requires each nursing facility provider to submit to the Department, and the Department to collect, the number of rooms occupied and available for occupancy in the facility. A nursing facility provider must notify the Department if the provider removes Medicaid beds licensed by the Department of Health or surrenders beds certified by CMS, including the number of beds removed or surrendered and the effective date of the change. Upon receiving the notice, the Department of Medicaid must:

- Verify with the Department of Health, if applicable, the number of beds removed and the effective date of the removal;
- Within 60 days of receipt of the notice, adjust the facility's private room capacity;
- Amend the facility's provider agreement.

The Department of Medicaid must include in the facility's private room per day rate the facility's adjusted private room capacity beginning on the later of (1) the date the beds were removed or surrendered or (2) the date the Department received notice of the removal or surrender.⁸

⁵ R.C. 5165.27(C).

⁶ R.C. 5165.27(D).

⁷ R.C. 5165.27(E).

⁸ R.C. 5165.27(E).

HISTORY

Action	Date
Introduced	10-25-21
Reported, H. Economic and Workforce Development	05-18-22
