TRANSFORMING OHIO FOR GROWTH

RENEW. REFORM. REVIVE.

BUDGET OF THE STATE OF OHIO • FISCAL YEAR 2012-2013

Nursing Facilities

Fully implements the pricing system already enacted in 2005

- In 2005, the Ohio General Assembly enacted HB 66 to transition from a cost-based payment methodology for nursing facilities to a price-based system.
- The final budget completes the transition to a price-based system.

Links more of the Medicaid payment to direct care for residents and quality

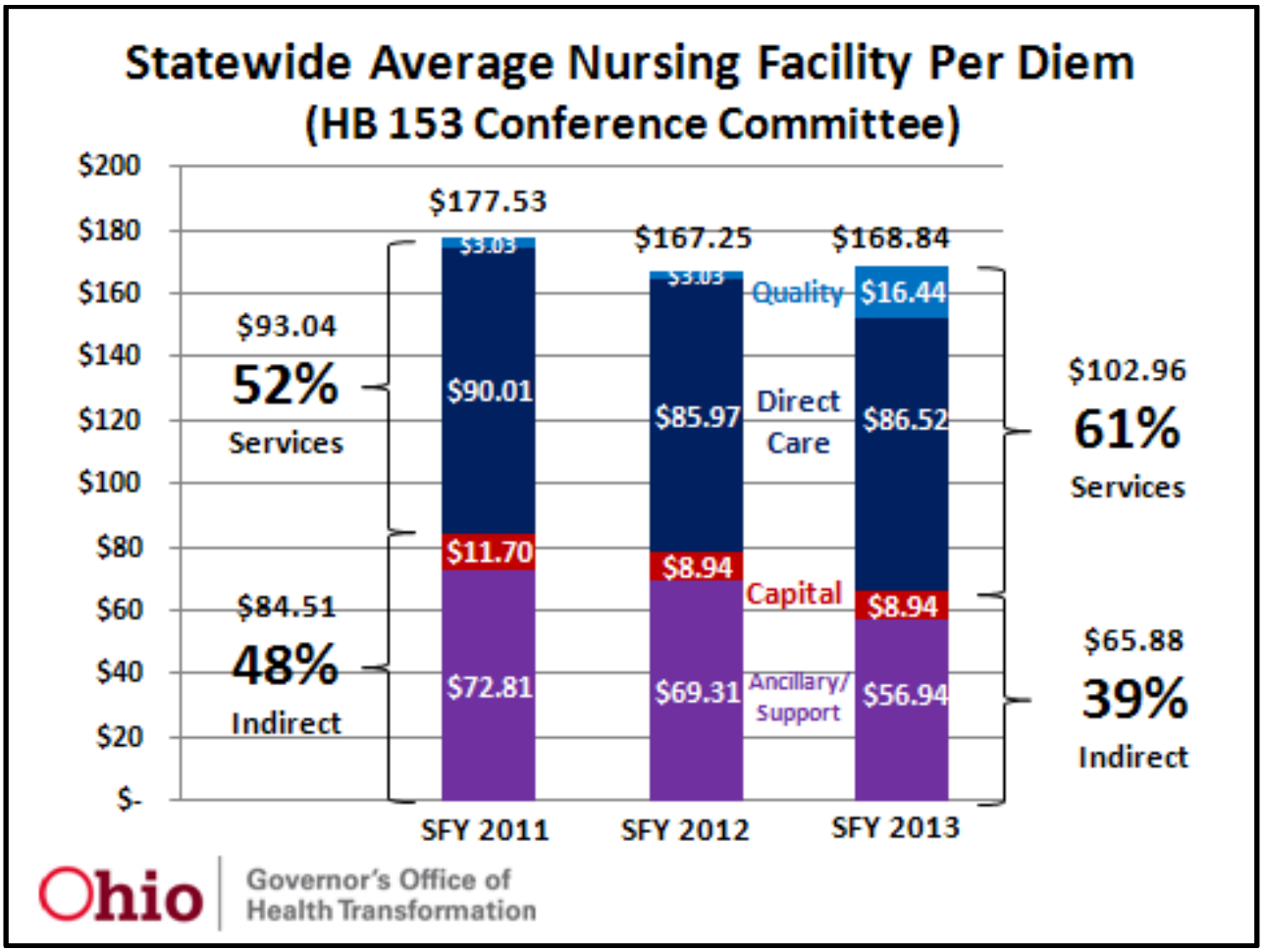
- Increases the portion of the rate that is related to direct care and quality from 52% in 2011 to 61% in 2013 and increases the actual amount spent on average statewide for resident services from $93.04 to $102.96 per person per day.
- Sets the direct care price at 102% of the 25th percentile in 2012 and 2013.
- Provides stop loss protection for facilities facing greater than 10% rate cuts in 2012.
- Increases quality incentive payments from 1.7% of the rate in 2011 to 9.7% in 2012 and replaces business-focused measures with person-centered quality measures.
- Sets the rate for low acuity residents at $130 per day in 2013.
- Guarantees nursing homes receive 100% of franchise fee gains from these changes.

Enacts common sense regulatory relief

- Represents unanimous association and Administration agreement.
- 16 significant items, including staffing and quality measures.
- Provides operators greater flexibility to hold down costs.
- Creates a joint legislative committee on unified long-term care services and supports and requires Medicaid to report to the committee at least quarterly.

Impact on nursing facilities, seniors and taxpayers

- The final budget results in a 5.8% average statewide rate reduction in 2012.
- Reduces overall Medicaid spending for nursing homes from $2.7 billion in 2011 to $2.5 billion in 2013 and saves taxpayers $360 million over the next two years.
- Enables seniors and people with disabilities to live with dignity in settings they prefer instead of higher-cost alternatives like nursing homes.


Statewide Average Nursing Facility Per Diem
(HB 153 Conference Committee)
$200
$180
$160
$140
$120
$100
$80
$60
$40
$20
$-
$177.53
$167.25
$168.84
$3.03
$3.03
Quality
$16.44
$93.04
52%
Services
$90.01
$85.97
Direct
Care
$86.52
$102.96
61%
Services
$11.70
$8.94
Capital
$8.94
$84.51
48%
Indirect
$72.81
$69.31
Ancillary/
Support
$56.94
$65.88
39%
Indirect
SFY 2011
SFY 2012
SFY 2013
Ohio
Governor's Office of
Health Transformation