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**Ellen M. Buettner** | Chief Executive Officer

**J. Kevin Stitt** | Governor

State Plan Amendment Rate Committee (SPARC)

Agenda

August 8, 2024

11:30 AM

OHCA Board Room  
4345 N. Lincoln Blvd  
Oklahoma City, OK

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I. Welcome and Roll Call: **Chair, Josh Richards**

This meeting will occur at the OHCA building at 4345 N. Lincoln Blvd., Oklahoma City, OK 73105. All Committee members will participate in person.

**Committee Members:**

- Josh Richards (Chair, OHCA)
- Aaron Morris (OHCA)
- Kasie McCarty (OHCA)
- Toney Welborn (OHCA)
- Sharon Butler (OSDH)
- Melissa Miller (ODMHSAS)
- Jennifer King (OHS)

**Public access via Zoom:**

[https://www.zoomgov.com/webinar/register/WN\\_yAhoAyFLQwe98wD49xIQMg](https://www.zoomgov.com/webinar/register/WN_yAhoAyFLQwe98wD49xIQMg)

\*Please note: Since the physical address for the OHCA SPARC Meeting has resumed, any live-streaming option provided is provided as a courtesy. Should such live-streaming option fail or have technical issues, the OHCA SPARC Meeting will not be suspended or reconvened because of this failure or technical issue.

II. Public Comments (2-minute limit): **Chair, Josh Richards**

III. Rate issues to be addressed: Presentation, discussion, and vote

- A. Regular Nursing Facility Rates  
(Presented by Fred Mensah, OHCA)

IV. Adjournment: **Chair, Josh Richards**

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**ADDRESS**

4345 N. Lincoln Blvd.  
Oklahoma City, OK 73105



**WEBSITES**

oklahoma.gov/ohca  
mysoonerCare.org



**PHONE**

Admin: 405-522-7300  
Helpline: 800-987-7767



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FUTURE SPARC MEETING  
September 5, 2024  
9:30 am



**ADDRESS**

4345 N. Lincoln Blvd.  
Oklahoma City, OK 73105



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[oklahoma.gov/ohca](http://oklahoma.gov/ohca)  
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**STATE PLAN AMENDMENT RATE COMMITTEE**

**REGULAR NURSING FACILITIES RATE INCREASE**

**1. IS THIS A RATE CHANGE OR A METHOD CHANGE?**

Rate Change

**2. IS THIS CHANGE AN INCREASE, DECREASE, OR NO IMPACT?**

Increase

**3. PRESENTATION OF ISSUE – WHY IS THIS CHANGE BEING MADE?**

The change is being made to increase the Quality of Care (QOC) fee for Regular Nursing Facilities per 56 O.S. 2011, Section 2002. This change allows the Oklahoma Health Care Authority (OHCA) to collect additional QOC fees from providers and match them with federal funds which provides rate increases to facilities. Additionally, the change allows OHCA to calculate the annual reallocation of the pool for the “Direct Care” and “Other Cost” components of the rate as per the State Plan. This change will also increase the rate for Regular Nursing Facilities as mandated by Senate Bill 1134.

**4. CURRENT METHODOLOGY AND/OR RATE STRUCTURE.**

The current rate methodology for Regular Nursing Facilities calls for the establishment of a prospective rate that consists of four components. The current components are as follows:

- A. Base Rate Component is \$158.56 per patient day.
- B. A Pay for Performance (PFP) Component defined as the dollars earned under the incentive payment program for Nursing Facilities with an average payment of \$5.00 per patient day.
- C. An “Other Cost” Component which is defined as the per day amount derived from dividing 30% of the pool of funds available after meeting the needs of the Base and PFP Components by the total estimated Medicaid days for the rate period. This component once calculated is the same for each facility.
- D. A “Direct Care” Component which is defined as the per day amount derived from allocating 70% of the pool of funds available after meeting the needs of the Base and PFP Components to the facilities. This component is determined separately and is different for each facility. The method (as approved in the State Plan) allocates the 70% pool of funds to each facility (on a per day basis) based on their relative expenditures for direct care costs.

## STATE PLAN AMENDMENT RATE COMMITTEE

The current combined pool amount for “Direct Care” and “Other Cost” components is \$251,077,470. The current Quality of Care (QOC) fee is \$15.65 per patient day.

**5. NEW METHODOLOGY OR RATE STRUCTURE.**

There is no change in methodology; however, there is a rate change for Regular Nursing Facilities because of the required annual recalculation of the Quality of Care (QOC) fee and reallocation of the pool for “Direct Care” and “Other Cost” components of the rate as per the State Plan. This change will also increase the rate for Regular Nursing Facilities as mandated by Senate Bill 1134. The new Base Rate Component will be \$158.78 per patient day. The new combined pool amount for “Direct Care” and “Other Cost” components will be \$351,403,013. The new Quality of Care (QOC) fee will be \$15.87 per patient day.

**6. BUDGET ESTIMATE.**

The estimated budget impact for SFY2025 will be an increase in the total amount of \$87,371,108; with \$28,666,460 in state share.

OHCA attests that it has adequate funds to cover the state share of the projected cost of services

**7. AGENCY ESTIMATED IMPACT ON ACCESS TO CARE.**

The Oklahoma Health Care Authority does not anticipate any negative impact on access to care.

**8. RATE OR METHOD CHANGE IN THE FORM OF A MOTION.**

The Oklahoma Health Care Authority requests the State Plan Amendment Rate Committee to approve the following for Regular Nursing Facilities:

- An increase to the base rate component from \$158.56 per patient day to \$158.78 per patient day.

An increase to the combined pool amount for “Direct Care” and “Other Cost” Components from \$251,077,470 to \$351,403,013 for the annual reallocation of the Direct Care Cost Component as per the State Plan.

**9. EFFECTIVE DATE OF CHANGE.**

July 1, 2024, upon approval by CMS