

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
State/Territory: OREGON

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES

Supplemental Payments for Nursing Facilities Participating in the Oregon Essential Workforce Health Care Program

- I. The Oregon Essential Workforce Health Care Program (the Program) provides supplemental payments to qualifying nursing facilities (NFs) to be used by the NFs to provide health care benefits to the employees of their facilities.
 - A. The supplemental payments described in this section will be made in accordance with the applicable regulations regarding Medicaid upper payment limit provisions codified at Title 42 Code of Federal Regulations (CFR) § 447.272.
 - B. Definitions. When used in this section, the following definitions apply:
 1. Aggregate Medicaid supplemental payment limit – A reasonable estimate of the amount that would be paid for the services furnished by privately-owned nursing facilities (NFs) under Medicare payment principles during the aggregate Medicaid supplemental payment limit calculation period.
 2. Aggregate Medicaid supplemental payment limit calculation period – The period associated with the most recently completed Medicaid NF upper payment limit (UPL) calculation submitted to the federal Centers for Medicare and Medicaid Services (CMS).
 3. NF-level Medicaid supplemental payment limit – The maximum supplemental payment available to a qualifying NF for a specific NF-level Medicaid supplemental payment limit calculation period.
 4. NF-level Medicaid supplemental payment limit calculation period – The federal fiscal quarter determined by the Oregon Health Authority (OHA) for which supplemental payments are calculated.
 5. OHA – The single state Medicaid agency for Oregon.

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6. Oregon Essential Workforce Health Care Program – An association or group of eligible employers that administers a self-insured program to provide health insurance coverage, excluding disability insurance, to their employees or retired employees or their dependents or a combination of employees and dependents, with or without employee contributions.
7. Privately-owned NF – A NF that is not owned by the state or a non-state governmental entity.

C. Qualifying Criteria. To qualify for a supplemental payment under this section, a NF must:

1. Be a participating provider in the Oregon medical assistance program;
2. Have received a Medicaid payment for a NF claim for services provided during the NF-level Medicaid supplemental payment limit calculation period.
3. Be a privately-owned NF.
4. Participate in evidence-based workforce and quality of care improvements;
5. Annually report quality and other metrics;
6. Participate in the Oregon Essential Workforce Health Care Program; and
7. Have a memorandum of understanding with the OHA that specifies how the supplemental payments will be used.

D. Methodology to calculate aggregate available supplemental payment amount.

1. The aggregate available supplemental payment amount for privately-owned NFs is calculated for each aggregate Medicaid supplemental payment limit calculation period by taking the difference between the aggregate upper payment limit from paragraph (a) of this subsection and the aggregate Medicaid payment from paragraph (b) of this subsection.

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- a. The aggregate upper payment limit for privately-owned NFs, as presented in the most recently completed Medicaid NF UPL calculation submitted to CMS, will be calculated in accordance with the Medicaid UPL provisions codified at Title 42 CFR § 447.272 as follows.
 - i. Determine aggregate costs under Medicare cost principles using the most recently filed or settled CMS 2540 skilled nursing facility cost reports for privately-owned NFs.
 - ii. Determine the per diem cost by dividing the aggregate costs from subparagraph (i) of this paragraph by total days of service associated with the same cost reports.
 - iii. Extract Medicaid days of service for privately-owned NFs from the state's Medicaid Management Information System (MMIS) for the cost reporting periods associated with the cost reports described in clause (i) of this subparagraph.
 - iv. Determine aggregate Medicaid costs by multiplying the per diem Medicaid cost from subparagraph (ii) of this paragraph by Medicaid days of service from subparagraph (iii) of this paragraph.
 - b. The aggregate Medicaid payment is equal to sum of Medicaid payments for privately-owned NFs from the aggregate Medicaid supplemental payment limit calculation period. Payment data includes Medicaid regular per diem payments, per diem drug payments, and per diem client contributions.
2. The aggregate available supplemental payment amount is not to exceed the lower of 95 percent of the aggregate available supplemental payment amount for privately owned NFs from subsection (1) of this section and the general fund revenue allocated to the program plus associated federal matching funds. For the state biennium 2021 – 2023, total general revenue appropriated is \$30,000,000.

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3. The state may further reduce the aggregate available supplement payment amount from paragraph (2) of this subsection if the aggregate upper payment limit for privately-owned NFs from paragraph (1)(a) of this subsection is projected to decrease between the aggregate Medicaid supplemental payment limit calculation period and the federal fiscal year within which the applicable NF-level Medicaid supplemental payment limit calculation period falls,

E. Methodology to calculate NF-specific supplemental payment amounts.

1. Divide the aggregate available supplemental payment amount from subsection (D)(2) of this section by four.
2. Extract Medicaid days of service for privately-owned NFs that have qualified for a supplemental payment as per subsection (C) of this section from the state's MMIS for the NF-level Medicaid supplemental payment limit calculation period.
3. The allocation percentage for each qualifying NF will be determined by dividing the individual NF's total Medicaid days from subsection (2) of this section by the aggregate sum of all qualifying NFs' Medicaid days from the same subsection.
4. The NF-specific supplemental payment for the NF-level Medicaid supplemental payment limit calculation period will equal the aggregate available supplemental payment amount from subsection (1) of this section multiplied by the NF's allocation percentage from subsection (3) of this section.