

STATE OF OKLAHOMA

1st Session of the 59th Legislature (2023)

SENATE BILL 412

By: Garvin

AS INTRODUCED

An Act relating to the state Medicaid program; amending 56 O.S. 2021, Section 1011.5, which relates to the nursing facility incentive reimbursement rate plan; modifying quality measures used for payment; updating terminology; and providing an effective date.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. AMENDATORY 56 O.S. 2021, Section 1011.5, is amended to read as follows:

Section 1011.5. A. 1. The Oklahoma Health Care Authority shall develop an incentive reimbursement rate plan for nursing facilities focused on improving resident outcomes and resident quality of life.

2. Under the current rate methodology, the Authority shall reserve Five Dollars (\$5.00) per patient day designated for the quality assurance component that nursing facilities can earn for improvement or performance achievement of resident-centered outcomes metrics. To fund the quality assurance component, Two Dollars (\$2.00) shall be deducted from each nursing facility's per diem

1 rate, and matched with Three Dollars (\$3.00) per day funded by the
2 Authority. Payments to nursing facilities that achieve specific
3 metrics shall be treated as an "add back" to their net reimbursement
4 per diem. Dollar values assigned to each metric shall be determined
5 so that an average of the five-dollar-quality incentive is made to
6 qualifying nursing facilities.

7 3. Pay-for-performance payments may be earned quarterly and
8 based on facility-specific performance achievement of ~~four equally-~~
9 ~~weighted, Long Stay Quality Measures as defined by the Centers for~~
10 ~~Medicare and Medicaid Services (CMS)~~ the measures listed in
11 paragraph 7 of this subsection.

12 4. Contracted Medicaid long-term care providers may earn
13 payment by:

- 14 a. for the Centers for Medicare and Medicaid Services
15 (CMS) nursing home Long-Stay Quality Measures listed
16 in subparagraph a of paragraph 7 of this subsection,
17 achieving either five percent (5%) relative
18 improvement each quarter from baseline or by achieving
19 the National Average Benchmark or better for each
20 individual quality metric, and
21 b. for the categories listed in subparagraph b of
22 paragraph 7 of this subsection, meeting or exceeding
23 the state average cost for each such category based on
24 information reported to the Authority.

1 5. Pursuant to federal Medicaid approval, any funds that remain
2 as a result of providers failing to meet the quality assurance
3 metrics shall be pooled and redistributed to those who achieve the
4 quality assurance metrics each quarter. If federal approval is not
5 received, any remaining funds shall be deposited in the Nursing
6 Facility Quality of Care Fund authorized in Section 2002 of this
7 title.

8 6. The Authority shall establish an advisory group with
9 consumer, provider and state agency representation to recommend
10 quality measures to be included in the pay-for-performance program
11 and to provide feedback on program performance and recommendations
12 for improvement. The quality measures shall be reviewed annually
13 and shall be subject to change every three (3) years through the
14 agency's promulgation of rules. The Authority shall insure
15 adherence to the following criteria in determining the quality
16 measures:

- 17 a. provides direct benefit to resident care outcomes,
- 18 b. applies to long-stay residents, and
- 19 c. addresses a need for quality improvement using the
20 Centers for Medicare and Medicaid Services (CMS)
21 ranking for Oklahoma.

22 7. The Authority shall begin the pay-for-performance program
23 focusing on:

1 a. improving the following CMS nursing home ~~quality~~
2 measures Long-Stay Quality Measures:

3 ~~a.~~ ~~percentage of long stay, high risk residents with~~
4 ~~pressure ulcers,~~

5 ~~b.~~ ~~percentage of long stay residents who lose too much~~
6 ~~weight,~~

7 ~~c.~~ ~~percentage of long stay residents with a urinary tract~~
8 ~~infection, and~~

9 ~~d.~~ ~~percentage of long stay residents who got an~~
10 ~~antipsychotic medication~~

11 (1) Percent of Residents Who Lose Too Much Weight,
12 and

13 (2) Percent of Residents with a Urinary Tract
14 Infection, and

15 b. meeting or exceeding the state average cost for each
16 of the following categories based on information
17 reported to the Authority:

18 (1) insurance costs,

19 (2) capital-related costs, and

20 (3) staff development and training, provided that the
21 training includes all of the following:

22 (a) wound and pressure ulcer prevention,

23 (b) fall prevention,

24 (c) understanding restorative therapy,
25

- 1 (d) managing residents with mental health
- 2 disorders,
- 3 (e) identification and reporting of physical and
- 4 mental function declines, and
- 5 (f) weight loss prevention.

6 B. The Oklahoma Health Care Authority shall negotiate with the
7 Centers for Medicare and Medicaid Services to include the authority
8 to base provider reimbursement rates for nursing facilities on the
9 criteria specified in subsection A of this section.

10 C. The Oklahoma Health Care Authority shall audit the program
11 to ensure transparency and integrity.

12 D. The Oklahoma Health Care Authority shall provide an annual
13 report of the incentive reimbursement rate plan to the Governor, the
14 Speaker of the House of Representatives, and the President Pro
15 Tempore of the Senate by December 31 of each year. The report shall
16 include, but not be limited to, an analysis of the previous fiscal
17 year including incentive payments, ratings, and notable trends.

18 SECTION 2. This act shall become effective November 1, 2023.

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