Ohio Department of Developmental Disabilities

Request for Proposal (RFP)

Development of Revised ICF-IID Reimbursement Methodology

Proposals must be received no later than August 12, 2015

This RFP will be posted on June 24, 2015 to:
http://procure.ohio.gov/proc/searchProcOpps.asp

For additional information, please contact:
Josh Anderson, Ohio Department of Developmental Disabilities
Medicaid Development and Administration
(614) 387-0576
Joshua.Anderson@dodd.ohio.gov

OVERVIEW & MISSION

The Ohio Department of Developmental Disabilities (DODD) is responsible for overseeing a statewide system of services and supports for people with developmental disabilities and their families.

The mission of DODD is continuous improvement of the quality of life for Ohio's citizens with developmental disabilities and their families.

GUIDING PRINCIPLES

DODD will:

- Create less complex service delivery, with fair and logical payment systems that are federally compliant
- Continue to be good stewards of limited resources
- Provide quality outcomes through a combination of people and processes
- Design service delivery models in response to choices made by the people served, in alliance with community supports
- Develop a system-wide vision and long-range strategic plan by listening to our funding partners, constituents and stakeholders

BACKGROUND

The Ohio Department of Developmental Disabilities oversees approximately 420 Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICFs-IID) which serve approximately 5700 individuals. See Attachment 1 for current list of providers and bed counts. The current reimbursement formula was developed more than 20 years ago. See Chapter 5124 of the Ohio Revised Code and Chapter 5123:2-7 of the Ohio Administrative Code. It is a prospective system that uses annual cost reports from the previous calendar year to set the provider's rate for the next fiscal year. The rate is divided into 4 components: Direct care, Indirect Care, Capital, and Other Protected Costs. See Attachment 2 for a flowchart of the current reimbursement formula. The Direct Care component is also adjusted by an acuity tool designed to measure staffing needs to care for the individual called the Individual Assessment Form (IAF) which was also developed in the 1990s. The IAF questions and instructions for filling it out accurately are found here: http://dodd.ohio.gov/medicaid/Documents/IAF%20Instructions1.pdf.

I. STATEMENT OF NEED

Almost 3 years ago DODD released a White Paper (http://dodd.ohio.gov/Medicaid/Documents/ICF%20White%20Paper.pdf) to outline its vision for the ICF-IID program and the desire to focus more on intense behavioral and medical needs. The purpose of this Request for Proposal (RFP) is to solicit proposals from qualified reimbursement experts to develop a transformative and modernized ICF-IID reimbursement methodology. The new methodology will incentivize quality measures and payments based on health outcomes and will

promote services provided in the most integrated setting appropriate to the needs of each individual.

II. SCOPE OF WORK AND DELIVERABLES

The contractor will develop recommendations for transformation of the ICF-IID reimbursement methodology. In developing the methodology, the contractor must take into account all of the following:

1. Examination of the IAF, including its use to group individuals into one of 6 Resident Assessment Classifications (RACs), and its application in the methodology in helping to achieve the vision described above in Section I.
2. Recommendations of the ICF-IID Reimbursement and Quality Incentive workgroups.
3. The methodology must assume flat funding for the ICF program.
4. Differences in cost structure and their significance of inclusion in the reimbursement formula. These factors may potentially include but are not limited to:
    a. Size of the facility: small, medium or large.
    b. Public vs Private
    c. Geographic regions
5. Incentives for large facilities to downsize.
6. The potential for outcome based reimbursement.
7. Wages for direct care staff
8. Day programming costs supporting greater community participation
    a. Should it be case mix adjusted?
9. Capital costs
    a. Appropriate funding for renovations
    b. How to account for fixed costs appropriately when downsizing/conversion of beds takes place?
    c. Consideration of government grants previously awarded for which liability still exists.
10. Owners and relatives allowable compensation
11. Outliers and their role in the system
    a. Examination of current outliers
    b. Potential development of new outliers based on need
12. Reimbursement for the Franchise Permit Fee
13. Achieving person centered based outcomes
14. The transparency of the system to the extent that it will be understandable without an expert level of knowledge.

The methodology must be completed no later than September 30, 2016 with the goal of implementing on July 1, 2017 (state fiscal year 2018). It shall include all of the following to implement the transformative changes as applicable:

1. Recommendations for transition into the new methodology.
2. Recommended changes to Ohio Revised Code and Ohio Administrative Code.
3. Recommendations for systems changes.

4. Recommended changes to the IAF or recommendation for a new tool to replace the IAF. If a new tool is recommended, demonstration of validity of the new tool is also a requirement.
5. Recommended changes to the cost report needed to implement reimbursement system changes. The current cost report is completed electronically with the Automated Cost Report (ACR) software found here: http://www.medicaid.ohio.gov/PROVIDERS/ProviderTypes/LongTermCareFacilities/AutomatedCostReporting.aspx.
6. Reports showing estimated impacts on a provider level.

The contractor will work closely with the Reimbursement workgroup during the process. They will report out on a regular basis to the workgroup with progress reports, interim analyses, and any issues/questions that may arise.

III. MINIMUM QUALIFICATIONS OF CONTRACTOR

The contractor must have experience with development and analysis of Medicaid reimbursement methodologies in multiple states. They should have a background of expertise in health care costs and accounting. The contractor must not have any direct relationships with any current ICF-IID provider in Ohio. Samples of previous work should be shared through hardcopy and/or online reports or charts.

IV. BID PROCESS

A. DODD reserves the right to:
   1. Accept or reject any and all Proposals if DODD determines that it is in the best interest of the State to do so.
   2. Rebid this RFP, requesting new Proposals from qualified firms.
   3. Waive or modify minor irregularities in Proposals received.
   4. Negotiate with Proposer(s) within the requirements of this RFP, to best serve the interests of the State of Ohio.
   5. Require the submission of modifications or additions to Proposals as a condition of further participation in the selection process.
   6. Fund any Proposal in full or in part; any assignments of work by DODD under the scope of this RFP will be made dependent on need and the availability of adequate, specific funding.
   7. Not make an award at the end of the evaluation process; this RFP is not to be interpreted or construed to guarantee that one or more Proposers submitting responses will be awarded contracts.
   8. Adjust the RFP calendar and event dates for whatever reason in deems appropriate.
   9. Contract Proposer to clarify any portion of the Proposer's submittal.

Bidders may submit their proposals electronically or via hardcopy through 4:00 pm on August 12, 2015.

Electronic proposals must be submitted in PDF format to Joshua.Anderson@dodd.ohio.gov.

Hardcopy proposals may be delivered via mail service to:

Ohio Department of Developmental Disabilities
Attn: Josh Anderson
30 E. Broad St., 13th Floor
Columbus, Ohio 43215

Timelines

Subject to approval by the State Controlling Board, the contract period will begin no sooner than September 20, 2015, and run through June 30, 2017.

Stage	Deadline
Public Notice	June 24, 2015
Requests for Clarification due to DODD	July 22, 2015
Clarification from DODD due	August 5, 2015
Proposals due to DODD	August 12, 2015
Notification of Award	September 20, 2015
Start work date	October 1, 2015

Inquiries

To ensure an open bid process is maintained, all inquiries regarding this RFP must be provided in writing only via email to Joshua.Anderson@dodd.ohio.gov. Inquiries may be submitted through August 12, 2015. DODD will respond to inquiries electronically by September 20, 2015.

V. OTHER REQUIREMENTS

A. Communications Prohibited

From the issuance date of this RFP, until a contract is awarded to a bidder, there may not be communications concerning the RFP between any bidder who expects to submit a proposal and any employee of DODD involved in the issuing of the RFP or other state employee who is in any way involved in DODD's design and implementation of ICF-IID reimbursement.

The only exceptions to this prohibition are communications provided through the submission of written requests for clarification/interpretation as specified in Section IV.

B. Fee Schedule

The Contractor shall be compensated based on deliverables as outlined in Section II. The personal services contract between DODD and the selected bidder will further specify the timelines for completion of each deliverable & payment structure.

C. State Contracts

Proposals must list any current contracts the bidder has with State of Ohio agencies, boards or commissions. The list must indicate the purpose of the contract, the amount of the contract, the time period covered by the contract, and the percent of the project completed.

D. Interview

Firms or individuals submitting bids may be requested to participate in an interview as part of the evaluation process. DODD reserves the right to select from responding bidders for interviews and may not interview all bidders submitting proposals. The bidder shall bear the cost of travel to any scheduled interview.

E. Proposal Costs

Costs incurred in the preparation of this proposal and any subsequent contracts are to be borne by the bidder. DODD will not contribute in any way to the costs of preparation. Any costs associated with proposal review interviews will not be DODD's responsibility.

F. Proprietary Information

All proposals submitted shall become the property of DODD. All information submitted by the bidder will be considered to be public information unless the bidder specifically demonstrates, in writing, which information it considers to be proprietary. "Proprietary information" is information which, if made public, would put the bidder at a disadvantage in the market place and trade in which the bidder is a part. Consequently, any assertion of "proprietary" information must be clearly identified and the basis of the assertion must be included. It is not adequate for the bidder to simply state that disclosure of the information will put it at a disadvantage in the market place. DODD will make the final decision as to whether information is "public" or "proprietary."

G. Contractual Requirements

1. Any contracts resulting from the issuance of this RFP are subject to the terms and conditions as provided in the personal services contract. The information contained in the RFP and in the proposal submitted by the selected bidder shall be considered part of the enclosed contract.
2. Payments for any and all services provided pursuant to the contract are contingent upon the availability of state and federal funds.
3. All aspects of the contract apply equally to work performed by any and all subcontractors.
4. The contractor, and any subcontractor(s), will not use or disclose any information made available to them for any purpose other than to fulfill the contractual duties specified in the RFP. The contractor, and any subcontractor(s), agrees to be bound by the same standards of confidentiality, including federal and state statutory and regulatory requirements that apply to the employees of DODD and the State of Ohio.

5. As a condition of receiving a contract from DODD, the selected contractor and any subcontractor(s) shall certify compliance with any court order for the withholding of child support, which is issued pursuant to Section 3113.217 of the Ohio Revised Code. The contractor, and any subcontractor(s), must also agree to cooperate with DODD and any Ohio Child Support Enforcement Agency in ensuring that the contractor or employees of the contractor meet child support obligations established under state law.
6. As a condition of receiving a contract from DODD, the contractor and any subcontractor(s) shall certify compliance with Ohio Bureau of Worker's Compensation requirements by providing a current Worker's Compensation Certificate.

H. Travel Reimbursement

Travel cost should be encompassed within the cost of the deliverables. Travel is not to be listed separately. For purposes of this RFP, travel includes all modes of transportation (airfare, taxi, car rentals, etc.), lodging expenses, costs of communications by phone, mail, e-mail or fax and meals.

I. Ethical and Conflict of Interest Requirements

1. No contractor or individual, company or organization seeking a contract shall promise or give to any DODD employee any item of value that is of such character as to manifest a substantial and improper influence upon the employee with respect to his or her duties.
2. No contractor or individual, company, or organization seeking a contract shall solicit any DODD employee to violate any of the conduct requirements for employees.
3. Any contractor acting on behalf of DODD shall refrain from activities that could result in violations of ethics and/or conflicts of interest. Any contractor or potential contractor who violates the requirements and prohibitions defined here or of Section 102.03 or of Section 102.04 of the Ohio Revised Code is subject to termination of the contract or refusal by DODD to enter into a contract.

VI. PROPOSAL FORMAT AND SUBMISSION

A. Proposal Submission

1. The proposal must be prepared in accordance with instructions in this section.
2. The proposal is to be prepared in a manner that clearly outlines how each of the deliverables in Section II will be completed within the time frames specified in that same section.
3. Proposals must either be emailed or mailed to the following individual by August 12, 2015:

Josh Anderson
Medicaid Development and Administration
Ohio Department of Developmental Disabilities
30 E Broad St, 13th Floor
Columbus, Ohio 43215
614-387-0576
Joshua.Anderson@dodd.ohio.gov

B. Proposal Format

To be accepted, a proposal must include: a Technical Proposal and a Cost Proposal as described in this section, contain all the information specified for each of the categories listed in this section, and meet the requirements of this section.

1. Technical Proposal

   a. Transmittal Letter. The Technical Proposal must include:
      i. A transmittal letter that identifies the bidder;
      ii. The name, title, address, and telephone number of the bidder's contact person with authority to answer questions concerning the RFP; and
      iii. The name, title, address, and telephone number and e-mail address of the bidder's contact person with authority to address contractual issues, including a person with the authority to execute a contract on behalf of the bidder.

   b. Organizational Experience. The bidder must include:
      i. Information on the background of the firm or individual, including background information of any subcontractor(s);
      ii. Any prior experience relevant to this RFP (including current contact names and phone numbers for these references), and a list of similar projects currently underway by the firm, individual or by any subcontractor(s) as well as all completed over the past five (5) years. The Evaluation/Selection Review committee will consider these additional references and may contact each of these sources.

   c. Technical Approach and Work Plan. The Technical Proposal must indicate how the bidder plans to address the purpose, objectives and deliverables, within the timeframes as stated in this RFP. The proposal must outline the following in detail:

      i. Samples of previous analysis of reimbursement methodologies in other states.
      ii. The project staffing, including any subcontractors;
      iii. A Table of Organization for the project;
      iv. A procedure for reporting the status of the project, including work completed;
      v. A proposal for how coordination will occur and how information will be shared with DODD; and
      vi. A proposed procedure to address and resolve unanticipated problems during the course of the project, specifying that the procedure will not adversely affect the timelines associated with the project.

   d. Personnel Qualifications
      i. The Technical Proposal must include the names, resumes, education, and experience of personnel listed in the Table of Organization/personnel chart for this project (including any subcontractors), and fully explain how their education

and experience is relevant to the areas described in Sections I, II and III of this RFP.

ii. DODD shall require a clause in the resulting contract regarding key personnel that any person identified as critical to the success of the project may not be removed without reasonable notice to DODD.

iii. One Project Manager shall be named on behalf of the bidder. All correspondence shall be directed through this named individual.

e. Disclosures

i. The contractor may choose to subcontract portions of the research and analysis work. Any subcontracts are subject to approval by DODD and subcontractors are subject to the same requirements of state rules, laws, and provisions of this contract as the contractor itself.

2. Cost Proposal

The Cost Proposal must indicate the total cost for the project for each of state fiscal years 16 and 17 and the following elements:

i. Cost of analysis and research; and

ii. Cost to develop transformative reimbursement methodology.

iii. The contractor should also include its standard hourly rate for similar work.

VII. CRITERIA FOR PROPOSAL EVALUATION AND SELECTION

All proposals will be reviewed and scored by a Proposal Review Committee, comprised of staff from DODD. The Proposal Review Committee shall include a representative from at least two Divisions of DODD. Any proposals not meeting the requirements contained in this RFP will not be scored.

A maximum of 100 points will be awarded for the Proposal, as outlined in this section.

VIII. EVALUATION OF PROPOSAL – POINT SYSTEM

40	The bidder's proposal clearly outlines the method, work plan and timelines for achieving each of the deliverables
20	The costs associated with this proposal are reasonable and commensurate with the services provided.
40	The bidder's proposal reflects the project staffing and demonstrates the competence, knowledge, and qualifications of employees and subcontractors as outlined in the RFP related to Medicaid payment and reimbursement, particularly as it relates to the DD system.

Attachment 1 ICF Provider and Bed Counts

Provider Number	Facility Name	County	Cert
0035287	Luther Home Of Mercy	Ottawa	107
0052341	Ashtabula County Residential Services-Maples I	Ashtabula	8
0058521	Midwest Health Services #1	Holmes	12
0058575	Midwest Health Services #3	Stark	10
0058577	Midwest Health Services #2	Stark	11
0065845	Vienna Care Center	Clark	20
0066771	Buckeye Community Services, Inc.	Hocking	6
0071888	Carnegie Home	Stark	5
0072048	Deborah Home	Stark	5
0072076	Sturbridge Home	Stark	7
0072115	Strausser Home	Stark	5
0072125	Takoda Trails	Butler	54
0072148	Brookside	Warren	92
0072183	Hunsford	Hamilton	8
0072189	North Bend	Hamilton	8
0072244	John Gray Home	Hamilton	16
0072252	Affinity Place Home	Hamilton	16
0072256	Monon Avenue Home	Hamilton	16
0072324	Woodbine	Hamilton	8
0072378	Whispering Pines Of Springfield	Clark	34
0073449	Ruth & Matthew Home	Ashtabula	15
0075273	Lafayette Meadows Family Home	Coshocton	8
0076598	Celebration Home	Ashtabula	5
0076599	Victory House	Ashtabula	6
0077944	Woodside	Lake	5
0078146	Alliance Icf	Stark	30
0078169	Broadfield Care Center	Lake	48
0078367	Foundations	Preble	66
0079008	Alexson Holdings, Inc./Manor Home	Ashtabula	54
0079016	Alexson Holdings, Inc./Stewart Lodge	Lake	54
0081597	Lockwood Family Home	Lake	8
0083361	Haven Home	Cuyahoga	6
0083363	Blossom House	Cuyahoga	7
0085150	Joshua House	Ashtabula	8
0087318	Mrsi/Wayne Street Home	Mercer	8
0090195	Kemper Meadow	Hamilton	8
0092306	Chillicothe Group Home 1	Ross	8
0092353	Chillicothe Group Home 2	Ross	8
0092366	Scioto Trails Group Home	Pike	32
0093770	Lawrence Co Group Home	Lawrence	10
0094085	Alternative Residences Two, Inc.-Wiley Avenue Home	Belmont	10
0094125	Cadiz Group Home	Harrison	10
0094131	Carrollton Group Home	Carroll	10
0094152	Tremont Group Home	Stark	8
0094158	19Th Street Group Home	Stark	8
0094161	Waterside Group Home	Stark	16
0094213	Barnesville Group Home	Belmont	10
0094216	Canton Group Home	Stark	24
0094224	Lafferty 1 Group Home	Belmont	4
0094229	Dusty Lane Home	Belmont	4
0094234	Airport Rd 1 Group Home	Belmont	4
0094241	Alternative Residences Two, Inc.-Stratton Lane Home	Belmont	5

Attachment 1 ICF Provider and Bed Counts

Provider Number	Facility Name	County	Cert
0094362	Alternative Residences Two, Inc.-Morristown Home	Belmont	4
0094368	Alternative Residences Two, Inc.-Lafferty Road 2 Home	Belmont	4
0094377	Alternative Residences Two, Inc.-Lloyd Home	Belmont	6
0094381	Airport Rd #2 Group Home	Belmont	6
0094385	John Avenue Group Home	Belmont	6
0094394	Donnerville Group Home	Belmont	6
0094398	Black Oak Group Home	Belmont	6
0094402	Alternative Residences Two, Inc.-Mt. Hope #1 Home	Belmont	6
0094407	Alternative Residences Two, Inc.-Mt. Hope #2 Home	Belmont	6
0094447	Alternative Residences Two, Inc.-Pineview #1 Home	Belmont	12
0094454	Alternative Residences Two, Inc.-Pineview #2 Home	Belmont	6
0094459	Middleton Estates Group Home	Gallia	35
0094461	Chesapeake Group Home	Lawrence	10
0094620	Palm Crest	Lorain	20
0094824	Sensi-Care, Inc.	Lorain	20
0095535	West Heisley Family Home	Lake	7
0096178	Walnut Street Home	Ashtabula	8
0096707	Rms-Longmeadow	Hamilton	8
0097147	Rem Ohio, Main St Knox	Knox	8
0106218	New Avenues/Clifton Boulevard Home	Cuyahoga	8
0108973	Canterbury Villa	Knox	33
0108982	Morning View Care Center Group Home #1	Marion	8
0108984	Morning View Care Center Group Home #2	Marion	8
0108986	Morning View Care Center Group Home #3	Morrow	8
0108987	Morning View Care Center Group Home #4	Morrow	8
0114017	Heritage Center For Rehab And Specialty Care	Auglaize	26
0115048	Sunrise Homes	Columbiana	24
0116631	Chillicothe Group Home 3	Ross	8
0116672	Watts Home	Richland	5
0116728	Chillicothe Group Home 4	Ross	8
0118055	Weber Health Care Center	Lorain	40
0118069	Wellington Estates, Inc.	Lorain	10
0118102	Wellington Estates, Inc.-Boardwalk/Park Place	Lorain	18
0119419	Community Concepts, Inc.-Home 1	Warren	8
0119428	Community Concepts, Inc.-Home 2	Warren	8
0119437	Community Concepts, Inc.-Home 3	Warren	8
0119446	Laurel House	Medina	8
0119576	Columbia Court Home	Guernsey	6
0119583	Coventry Estates Home	Guernsey	6
0119588	Westgate Drive Home	Guernsey	6
0123986	Williams Street Home	Logan	5
0132707	Voca Of Ohio-42Nd Street Home	Stark	8
0132716	Voca Of Ohio-Market Avenue Group Home	Stark	8
0140592	Voca Of Ohio/David Street Home	Stark	8
0141582	New Avenues/Richmond Heights Home	Cuyahoga	8
0151857	Voca Of Ohio/Kaylynn Street Home	Stark	8
0159439	Samuel House	Medina	8
0159868	Filling Homes	Henry	55
0186258	Seven Hills House	Cuyahoga	5
0196783	Community Concepts, Inc.-Home 5	Preble	8
0217214	Lakeland	Lake	20

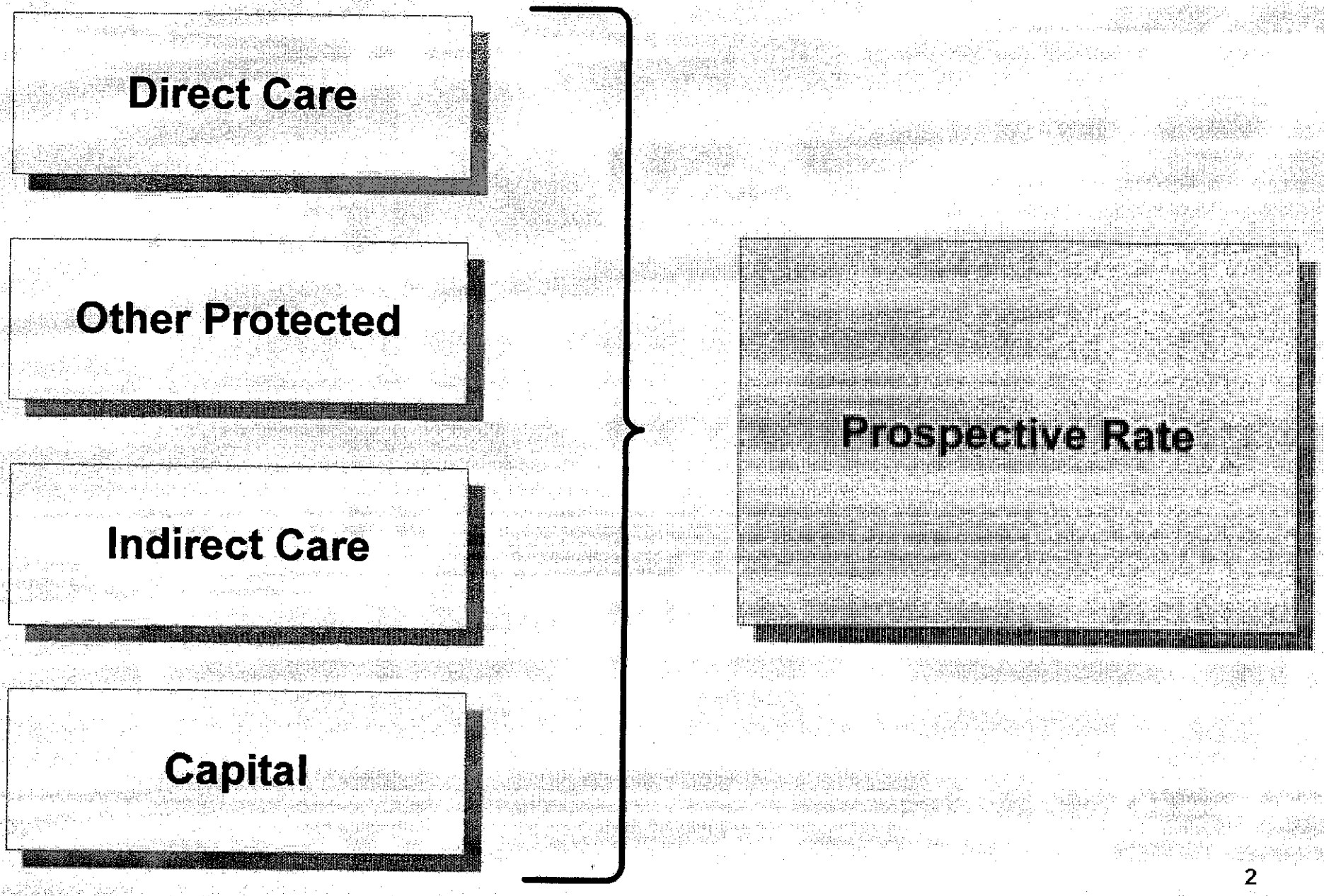
Attachment 1 ICF Provider and Bed Counts

Provider Number	Facility Name	County	Cert
0223056	Community Concepts, Inc.-Home 4	Preble	8
0230208	Community Concepts, Inc.-Home 7	Clermont	8
0233429	Community Concepts, Inc.-Home 6	Clermont	8
0244828	Hattie Larlham Center For Children With Disabilities	Portage	130
0280422	Grafton House	Medina	8
0304085	Css Kingwood Home	Tuscarawas	5
0304254	Css Meredith Home	Tuscarawas	5
0314047	Boyd'S Kinsman Home, Inc.	Trumbull	45
0330109	Vinewood Home	Sandusky	8
0343284	Lake County Board Of Mr/Dd Adult Residence Center	Lake	48
0343293	Jacklitz Continuing Development Center	Lake	21
0345184	F.F. Mueller Residential Center-Red	Clark	15
0345442	Madison Village Manor, Inc.	Lake	8
0345586	Css 5Th Street Home	Tuscarawas	5
0345951	Css Kerns Home	Tuscarawas	5
0358134	Metzenbaum Residence	Geauga	25
0378336	Homestead	Ashtabula	8
0394112	Howe House	Cuyahoga	8
0406797	Union City Christel Manor	Darke	50
0413305	Valley House	Medina	8
0415429	Enrichment Center, Inc. #1	Trumbull	22
0415545	Josina Lott Residential And Community Services	Lucas	33
0421681	Heinzerling Memorial Foundation	Franklin	104
0425767	Echoing Meadows Residential Center	Athens	32
0430037	Enrichment Center, Inc. #2	Trumbull	30
0454128	New Avenues/Presser Home	Cuyahoga	16
0454137	New Avenues/Zeve Home	Cuyahoga	16
0455994	Echoing Woods Residential Center	Montgomery	36
0458633	Champaign Residential Services, Inc.-Oakland Street Home	Champaign	8
0459301	Mary Ann Brown Residential Facility	Allen	32
0462404	Echoing Valley Residential Center	Montgomery	36
0465474	St. Joseph Home Of Cincinnati	Hamilton	48
0471832	Portage Group Home-Restle	Wood	9
0471841	Portage Group Home-Werner	Wood	10
0471850	Portage Group Home-Nichols	Wood	9
0477121	Hartville Meadows	Stark	32
0488888	Residential Options, Inc.-Shasta Home	Franklin	6
0491249	Opportunity Homes, Inc.	Columbiana	22
0492346	Ashtabula County Residential Services-Maples Ii	Ashtabula	12
0496842	Raintree (The)	Richland	34
0502503	Evant-Dunbar	Summit	6
0502754	Evant-Ritchie	Summit	6
0503922	Evant-Winchester	Summit	6
0504065	Buckeye Community Services-Dowler Road Home	Hocking	8
0506090	Rose Mary Center	Cuyahoga	36
0508034	Alvis House-Mr Unit	Franklin	15
0508043	Meister Road Home	Lorain	18
0508061	Buckeye Community Services-Hocking Valley Home	Hocking	8
0508098	Buckeye Community Services-Bidwell Group Home	Gallia	5
0509239	Buckeye Community Services-South Street Home	Jackson	8
0509766	Heinzerling Developmental Center	Franklin	104

Prospective Reimbursement System

Intermediate Care Facilities for Individuals with Intellectual Disabilities

Cost Center Components of the Prospective Rate



Cost Center Components Included Costs

Direct Care

Direct Care Staff
Administrative Nursing Staff
Direct Care Consulting
Direct Care Management Fees
Direct Care Home Office Exp.
Medical Directors
Social Services Staff
Activities Staff
Psychologists
Psychology Assistants
Social Workers
Counselors
Habilitation Staff
Program Directors
Respiratory Therapists
Habilitation Supervisors
Physical Therapy
Occupational Therapy
Speech Therapy
Audiology
Active Treatment Day Programming
Qualified Intellectual Disability Professional (QIDP)
Other persons holding degrees to qualify them to provide therapy

Other Protected

Medical Supplies
Real Estate Taxes
Franchise Permit Fees
Property Taxes
Utilities
- Natural Gas
- Fuel Oil
- Water
- Electricity
- Sewage and Refuse

Allocated Other Protected Home Office Costs

Indirect Care

Includes costs for all reasonable costs other than direct care costs, other protected costs or capital.

- habilitation supplies
- pharmacy consultants
- medical and habilitation records
- program supplies
- incontinence supplies
- food
- enterals
- dietary personnel and supplies
- laundry
- housekeeping
- security
- administration
- liability insurance
- bookkeeping
- purchasing department
- human resources
- communications
- travel
- dues
- license fees and subscriptions
- home office cost not otherwise allocated
- legal and accounting fees
- minor equipment
- maintenance and repairs
- advertising (help-wanted & informational)
- start-up costs
- organizational cost
- other interest
- property insurance
- employee training
- staff development
- benefits
- payroll taxes
- workers compensation premiums

Non Reimbursable Costs:
Laboratory, Radiology, Late Fees, Federal, State and Local Taxes, Promotional Advertising, Bad Debt, Parental Nutrition Therapy

Capital

Cost of Ownership

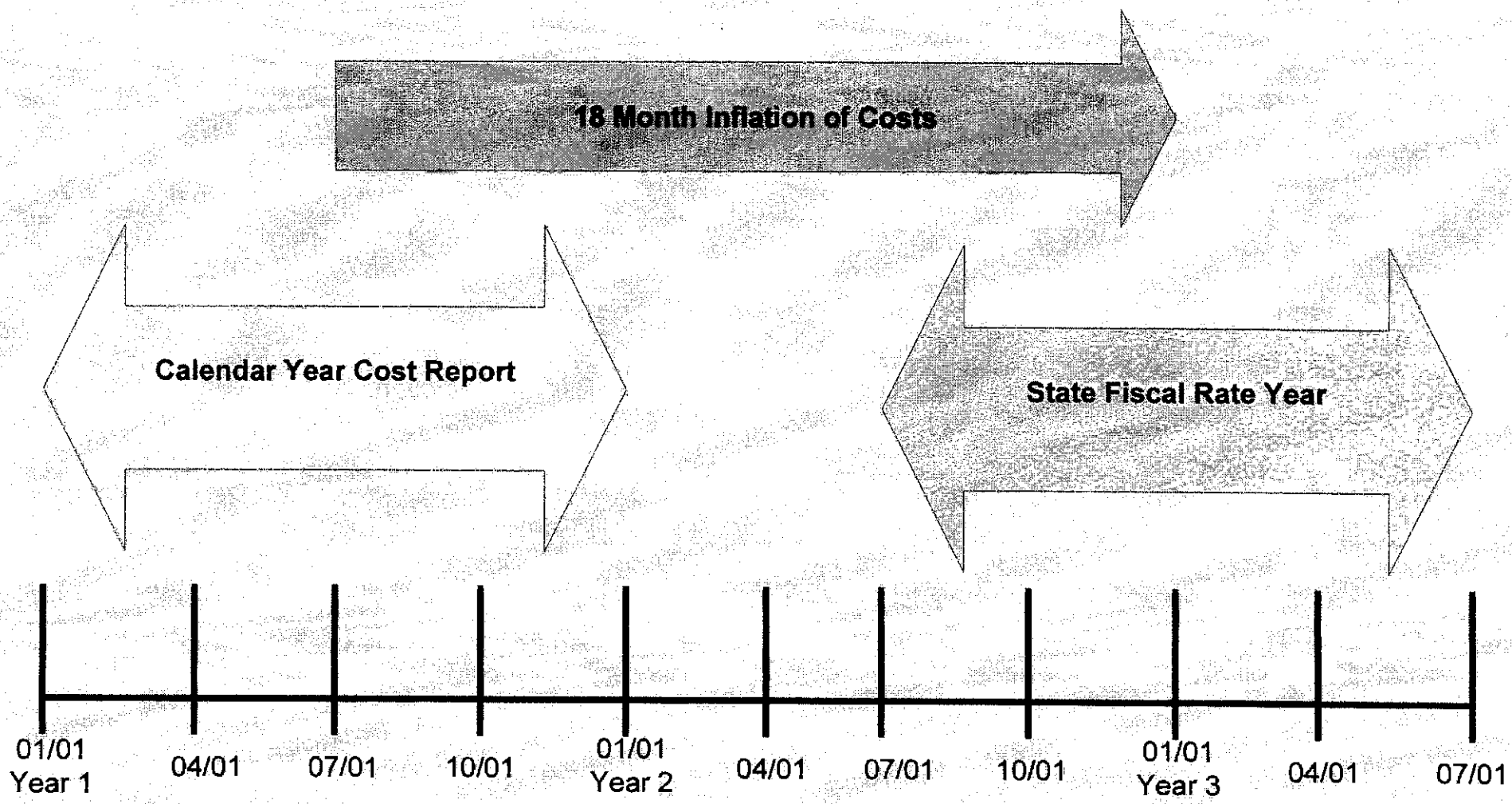
- depreciation and interest on any capital asset that costs five hundred dollars or more per item
- amortization and interest on land improvements and leasehold improvements
- amortization of financing costs
- lease and rent of land, building and equipment

Nonextensive Renovations

Return on Net Equity

- ceiling of $1 per resident per day
- proprietary facilities only

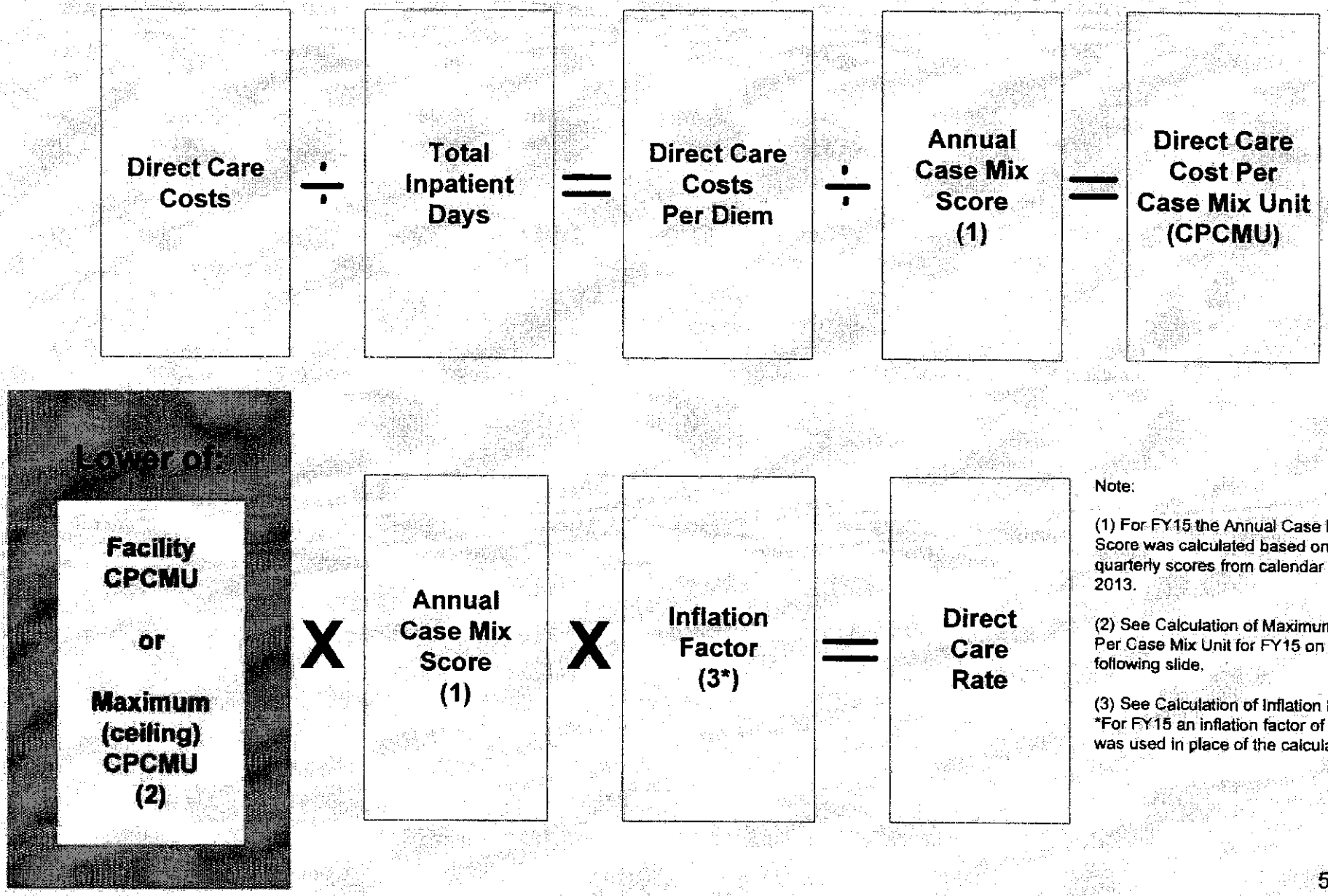
Calculation of Inflation Factor



Direct Care Costs: Employment Cost Index, Total Compensation, Health Services Component
Other Protected Costs: Consumer Price Index, All Urban for Nonprescription Drugs and Medical Supplies (2 separate indexes)
Indirect Care Costs: Consumer Price Index, All Items for All Urban for the North Central Region

***In place of the inflation adjustment otherwise made under section 5124.23 of the Ohio Revised Code, an inflation factor of 1.014 will be used for FY15.**

Direct Care Costs Component of the Prospective Rate



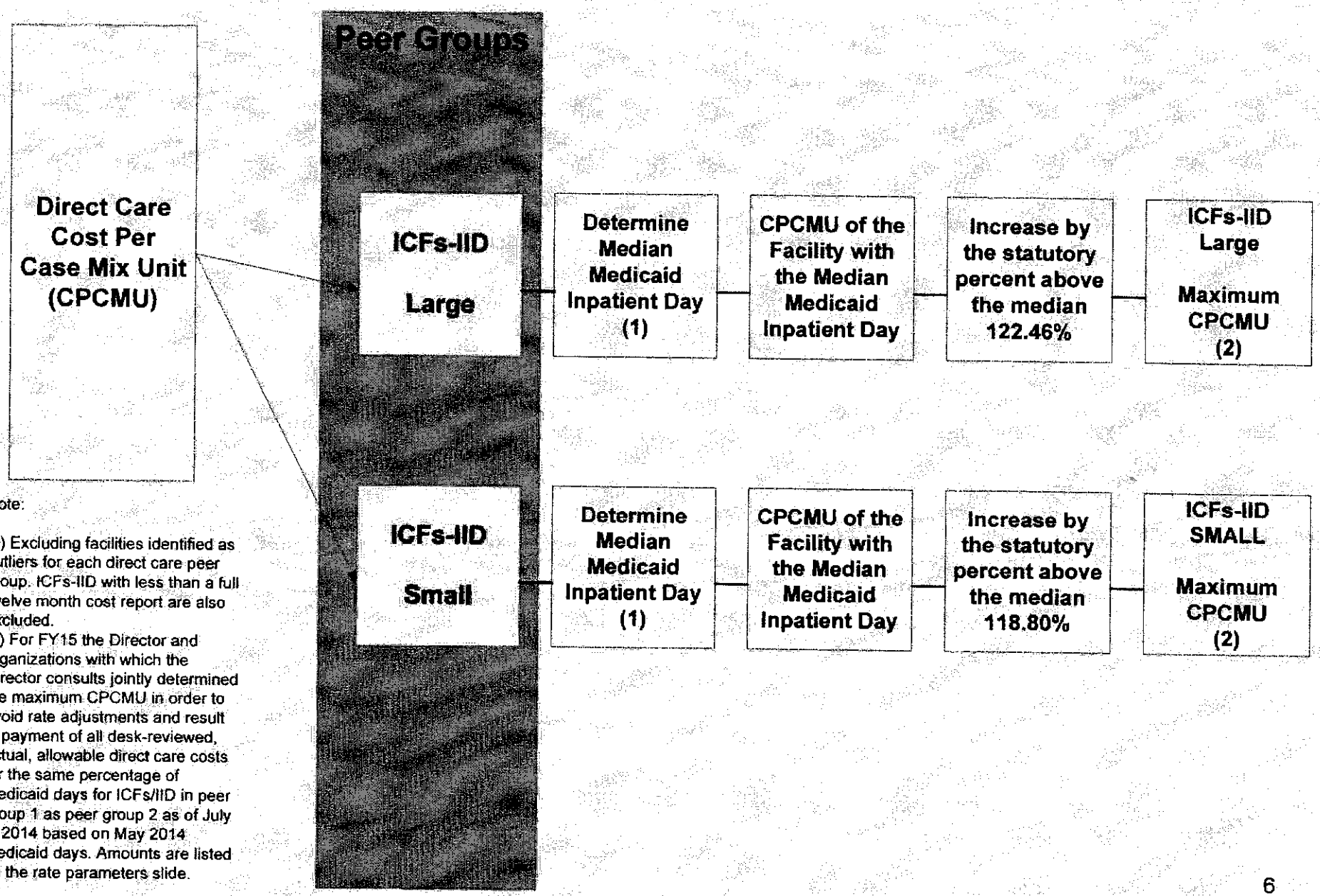
Note:

(1) For FY15 the Annual Case Mix Score was calculated based on the 4 quarterly scores from calendar year 2013.

(2) See Calculation of Maximum Cost Per Case Mix Unit for FY15 on following slide.

(3) See Calculation of Inflation Factor. *For FY15 an inflation factor of 1.014 was used in place of the calculation.

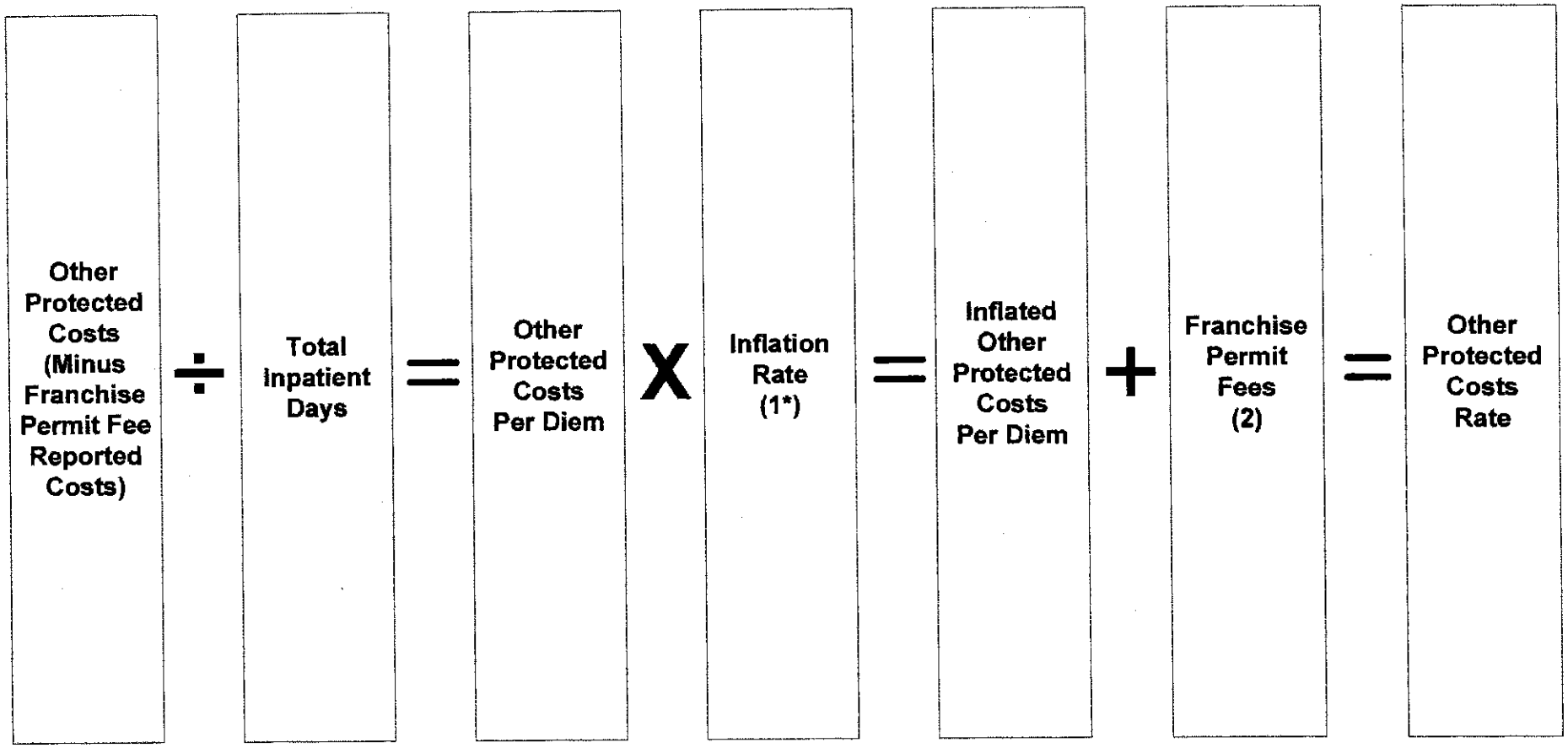
Calculation of Maximum Cost Per Case Mix Unit



Note:

(1) Excluding facilities identified as outliers for each direct care peer group. ICFs-IID with less than a full twelve month cost report are also excluded.
(2) For FY15 the Director and organizations with which the Director consults jointly determined the maximum CPCMU in order to avoid rate adjustments and result in payment of all desk-reviewed, actual, allowable direct care costs for the same percentage of Medicaid days for ICFs/IID in peer group 1 as peer group 2 as of July 1, 2014 based on May 2014 Medicaid days. Amounts are listed on the rate parameters slide.

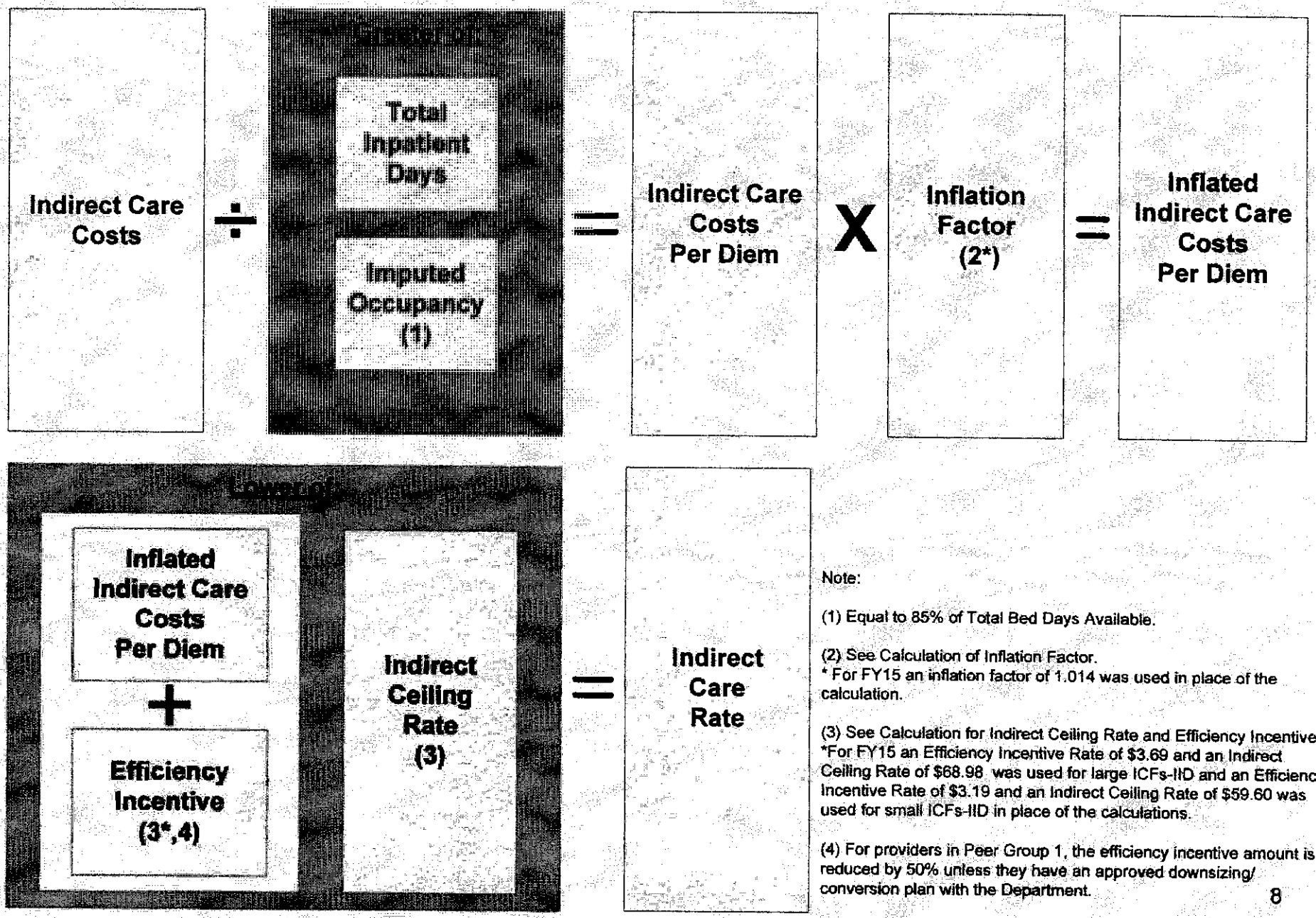
Other Protected Costs Component of the Prospective Rate



Note: (1) See Calculation for Inflation Factor.
* For FY15 an inflation factor of 1.014 was used in place of the calculation.

(2) If an ICF-IID provider is assessed a franchise permit fee, the per diem of the amount assessed is added to the rate. The amount assessed is updated at least annually pursuant to state statute.

Indirect Care Costs Center Component of the Prospective Rate



Note:

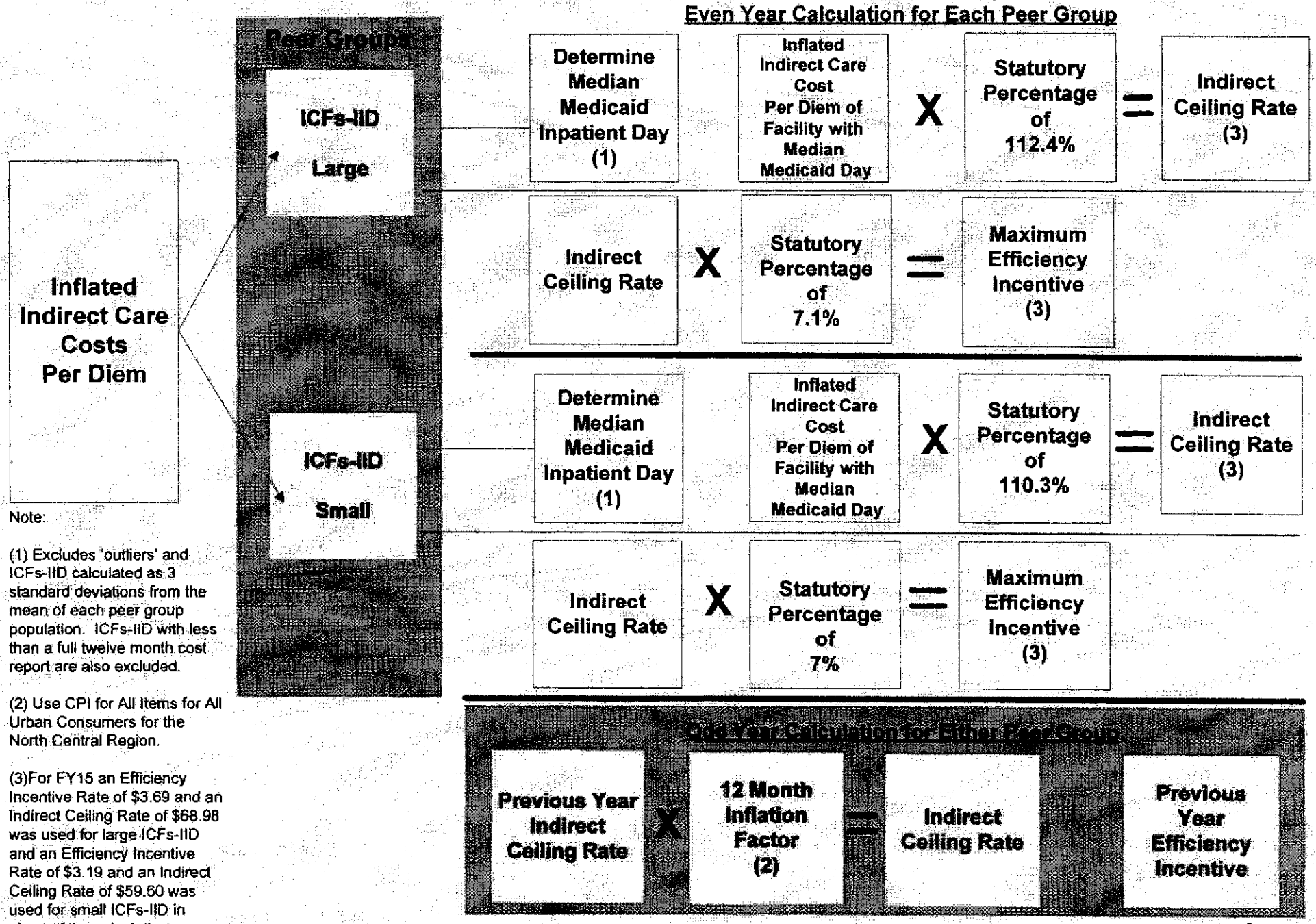
(1) Equal to 85% of Total Bed Days Available.

(2) See Calculation of Inflation Factor.
* For FY15 an inflation factor of 1.014 was used in place of the calculation.

(3) See Calculation for Indirect Ceiling Rate and Efficiency Incentive.
*For FY15 an Efficiency Incentive Rate of $3.69 and an Indirect Ceiling Rate of $68.98 was used for large ICFs-IID and an Efficiency Incentive Rate of $3.19 and an Indirect Ceiling Rate of $59.60 was used for small ICFs-IID in place of the calculations.

(4) For providers in Peer Group 1, the efficiency incentive amount is reduced by 50% unless they have an approved downsizing/ conversion plan with the Department.

Calculation of Indirect Ceiling Rate and Efficiency Incentive



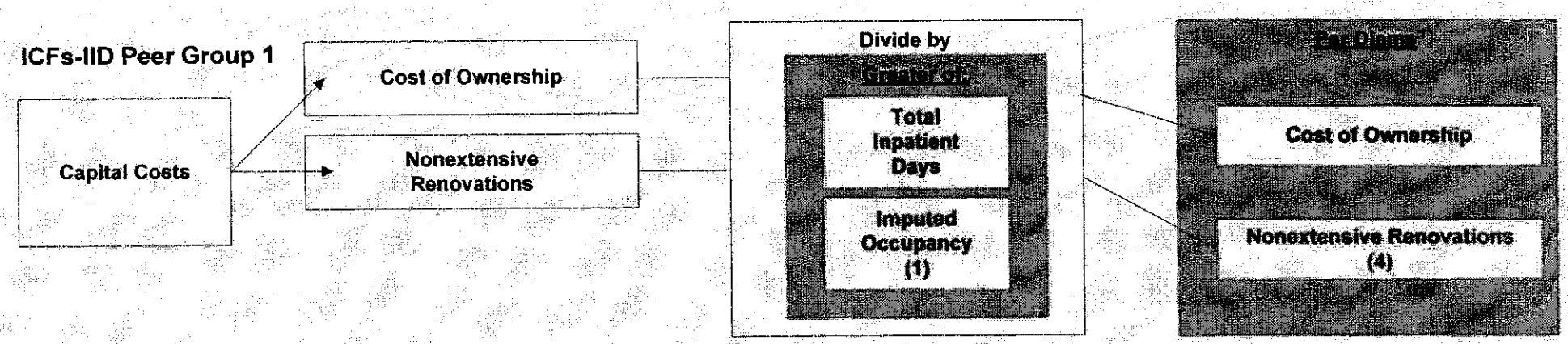
Note:

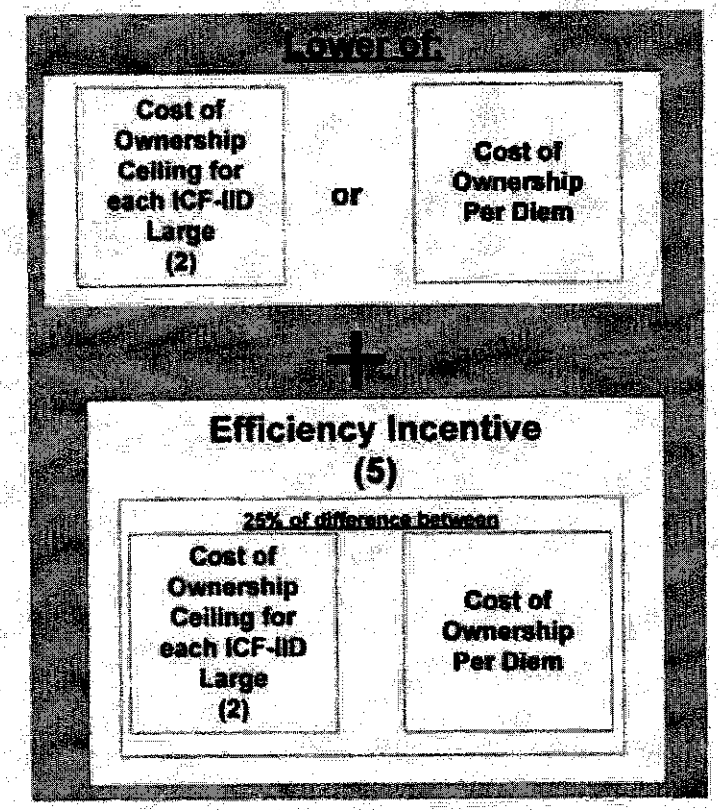
(1) Excludes 'outliers' and ICFs-IID calculated as 3 standard deviations from the mean of each peer group population. ICFs-IID with less than a full twelve month cost report are also excluded.

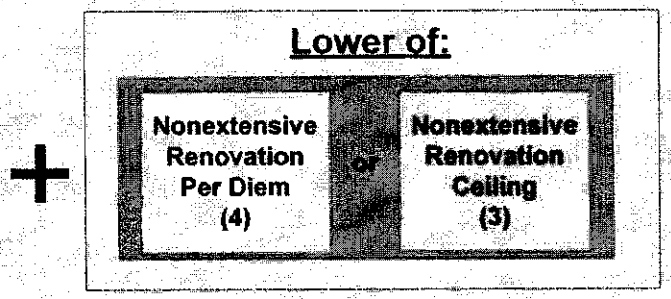
(2) Use CPI for All Items for All Urban Consumers for the North Central Region.

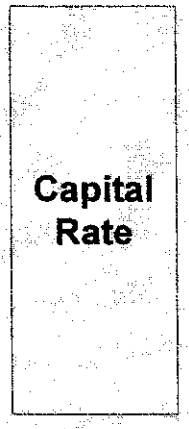
(3)For FY15 an Efficiency Incentive Rate of $3.69 and an Indirect Ceiling Rate of $68.98 was used for large ICFs-IID and an Efficiency Incentive Rate of $3.19 and an Indirect Ceiling Rate of $59.60 was used for small ICFs-IID in place of the calculations.

Capital Costs Component of the Prospective Rate









Note:
(1) Equal to 95% of Total Bed Days Available.

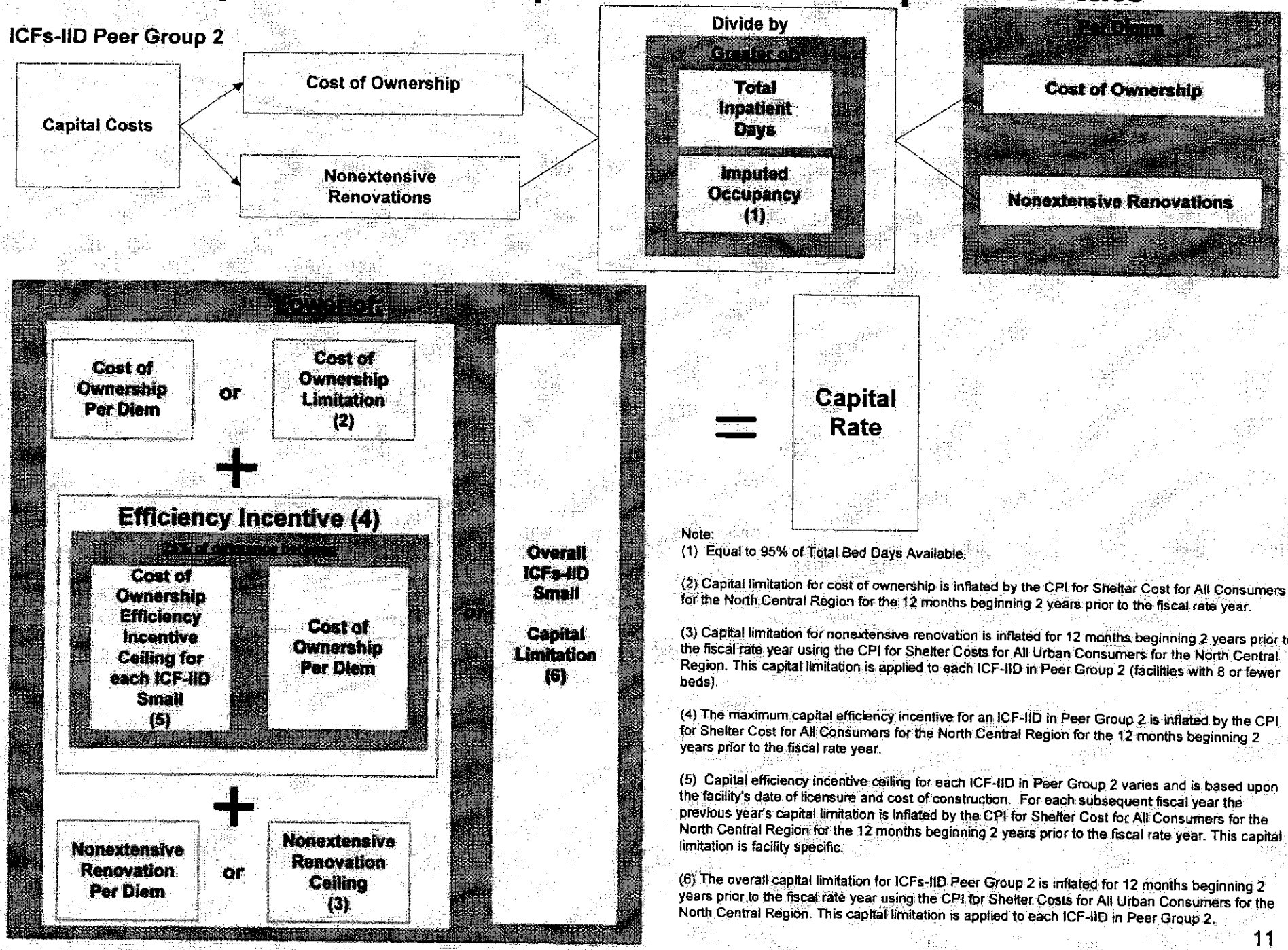
(2) Capital limitation and efficiency incentive ceilng for each ICF-IID in Peer Group 1 (facilities with 9 or more beds) varies and is based upon the facility's date of licensure and cost of construction. For each subsequent fiscal year the previous year's capital limitation is inflated by the CPI for Shelter Cost for All Consumers for the North Central Region for the 12 months beginning 2 years prior to the fiscal rate year. This capital limitation is facility specific.

(3) Capital limitation for nonextensive renvoation is inflated for 12 months beginning 2 years prior to the fiscal rate year using the CPI for Shelter Costs for All Urban Consumers for the North Central Region. This capital limitation is applied to each ICF-IID in Peer Group 1.

(4) As of July 1, 2013 no new Nonextensive Renovations are granted to providers in Peer Group 1 unless they are part of facility downsizing or conversion.

(5) For FY15 the calculated efficiency incentive is reduced by 50% unless the provider has an approved downsizing/ conversion plan with the Department.

Capital Costs Component of the Prospective Rate



Note:

(1) Equal to 95% of Total Bed Days Available.

(2) Capital limitation for cost of ownership is inflated by the CPI for Shelter Cost for All Consumers for the North Central Region for the 12 months beginning 2 years prior to the fiscal rate year.

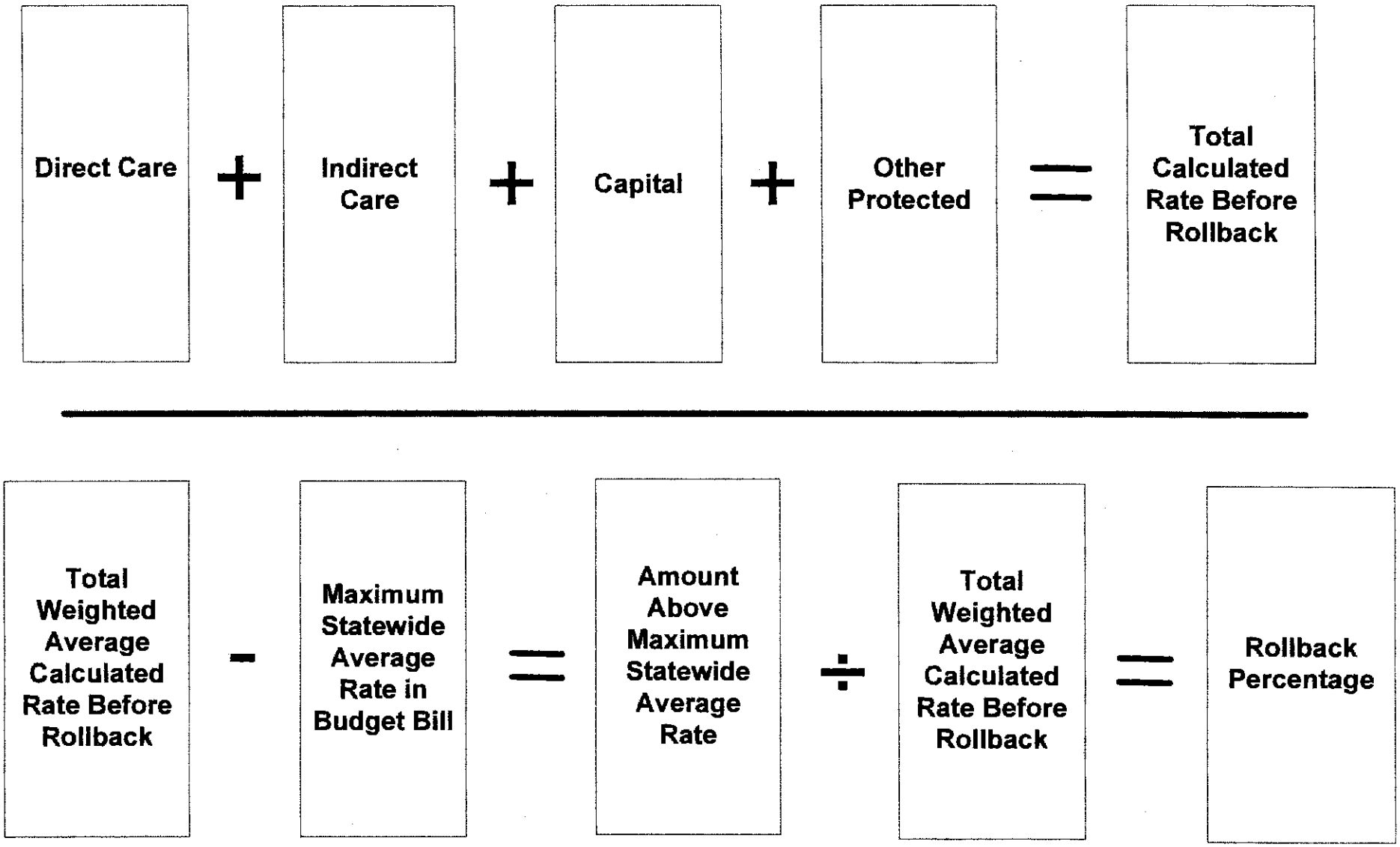
(3) Capital limitation for nonextensive renovation is inflated for 12 months beginning 2 years prior to the fiscal rate year using the CPI for Shelter Costs for All Urban Consumers for the North Central Region. This capital limitation is applied to each ICF-IID in Peer Group 2 (facilities with 8 or fewer beds).

(4) The maximum capital efficiency incentive for an ICF-IID in Peer Group 2 is inflated by the CPI for Shelter Cost for All Consumers for the North Central Region for the 12 months beginning 2 years prior to the fiscal rate year.

(5) Capital efficiency incentive ceiling for each ICF-IID in Peer Group 2 varies and is based upon the facility's date of licensure and cost of construction. For each subsequent fiscal year the previous year's capital limitation is inflated by the CPI for Shelter Cost for All Consumers for the North Central Region for the 12 months beginning 2 years prior to the fiscal rate year. This capital limitation is facility specific.

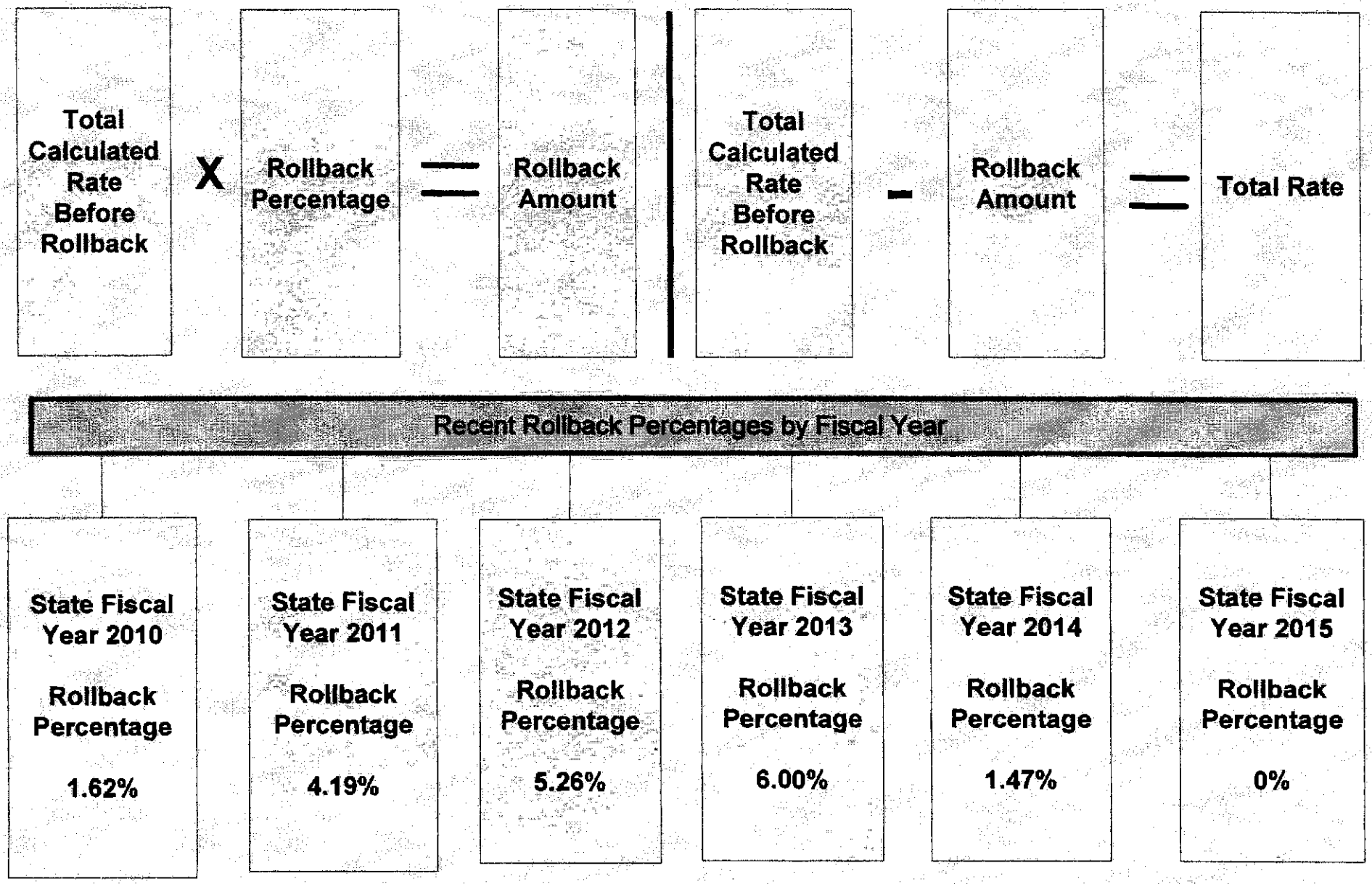
(6) The overall capital limitation for ICFs-IID Peer Group 2 is inflated for 12 months beginning 2 years prior to the fiscal rate year using the CPI for Shelter Costs for All Urban Consumers for the North Central Region. This capital limitation is applied to each ICF-IID in Peer Group 2.

Total Rate Rollback Calculation



*For FY15 in accordance with AM.Sub HB 483 Section 259.210 the Direct Care maximum CPCMU was set in order to provide equal cost coverage between Peer Groups 1 and 2 and minimize rate adjustments utilizing the rollback calculation.

Total Rate Calculation



FY15 ICF Rate Setting Parameters

		Rate Setting Parameters	
		Peer Group 1	Peer Group 2
Direct	Inflation Factor	1.014%	
	Median CPCMU	$104.35	$108.22
	CPCMU Ceiling	$113.59	$117.66
	Median Case Mix Score	1.7580	1.7242
Indirect	Inflation Factor	1.014%	
	Median Rate	$64.52	$51.68
	Ceiling	$68.98	$59.60
	Efficiency Incentive Ceiling	$3.69	$3.19
Capital	Inflation Factor	2.170%	
	Median Rate	$17.05	
	Overall Capital Ceiling	N/A	$37.02
	Max. Cost of Ownership Ceiling	Facility Specific	
	Efficiency Incentive Multiplier	12.5% OR 25.00%*	25.00%
	Efficiency Incentive Ceiling	Facility Specific	
	Renovation Ceiling	$13.75	
Protected	Inflation Factor	1.014%	
	Franchise Fee	$18.17	
	Median Rate	$24.77	

* For FY15 the calculated efficiency incentive is reduced by 50% for facilities in Peer Group 1 if the facility does not take part in downsizing or conversion during the 2014 calendar year.