



## STATUTORY MINOR CORRECTION

**APD 2-2020**

CHAPTER 411

DEPARTMENT OF HUMAN SERVICES

AGING AND PEOPLE WITH DISABILITIES AND DEVELOPMENTAL DISABILITIES

**FILED**

02/13/2020 9:55 AM  
ARCHIVES DIVISION  
SECRETARY OF STATE  
& LEGISLATIVE COUNSEL

FILING CAPTION: Correcting Oregon Law Reference in Statutes Implemented

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AGENCY ATTESTS THE FOLLOWING CHANGES HAVE BEEN MADE, ACCORDING TO ORS 183.335(7):

Correcting statutory or rule references

AMEND: 411-070-0442

RULE SUMMARY: Correcting Oregon Law Reference in Statutes Implemented from Chapter 6 to Chapter 66

CHANGES TO RULE:

411-070-0442

Calculation of the Basic Rate, Complex Medical Rate, and Ventilator Assisted Program Rate ¶¶

(1) The rates are determined annually and referred to as the Rebasing Year.¶¶

(a) The basic rate is based on the statements received by the Department by October 31 for the fiscal reporting period ending on June 30 of the previous year. For example, for the year beginning July 1, 2018, statements for the period ending June 30, 2017 are used. The Department desk reviews or field audits these statements and determines the allowable costs for each nursing facility. The costs include both direct and indirect costs. The costs and days relating to pediatric beds and Ventilator Assisted Program beds are excluded from this calculation. The Department only uses financial reports of facilities that have been in operation for at least 180 days and are in operation as of June 30.¶¶

(b) For each facility, its allowable costs, less the costs of its self-contained pediatric unit (if any), or the Ventilator Assisted Program Unit, are inflated by the DRI Index, or its successor index. The DRI table as published in the fourth quarter of the year immediately preceding the beginning of the payment year will be used. Costs will be inflated to reflect projected changes in the DRI Index from the mid-point of the fiscal reporting period to the mid-point of the payment year (e.g., for the July 1, 2018 rebase, the midpoint of the fiscal reporting period is December 31, 2016 and the mid-point of the payment year is December 31, 2018).¶¶

(c) For each facility, its allowable costs per Medicaid day is determined using the allowable costs as inflated and resident days, excluding pediatric and ventilator days as reported in the statement.¶¶

(d) The facilities are ranked from highest to lowest by the facility's allowable costs, per Medicaid day.¶¶

(e) The basic rate is determined by ranking the allowable costs per Medicaid day by facility and identifying the allowable cost per day at the applicable percentage. If there is no allowable cost per day at the applicable percentage, the basic rate is determined by interpolating the difference between the allowable costs per day that

are just above and just below the applicable percentage to arrive at a basic rate at the applicable percentage. The applicable percentage for the period beginning July 1, 2018 is at the 62nd percentile.¶¶

(2) The Department provides an augmented rate to nursing facilities who qualify under the Quality and Efficiency Incentive Program as described in OAR 411-070-0437. An acquisition plan must be submitted to the Department on or after October 7, 2013 and on or before June 30, 2016. The purchasing operator must meet all requirements in OAR 411-070-0437(3) in order to receive the augmented rate. The qualifying nursing facility is paid the augmented rate for each Medicaid-eligible resident.¶¶

(3) Nursing facility bed capacity in Oregon shall be reduced by 1,500 beds by December 31, 2015, except for bed capacity in nursing facilities operated by the Department of Veteran's Affairs and facilities that either applied to the Oregon Health Authority for a certificate of need between August 1, 2011 and December 1, 2012, or submitted a letter of intent under ORS 442.315(7) between January 15, 2013 and January 31, 2013. An official bed count measurement shall be determined and issued by the Department as of July 1, 2016 and each quarter thereafter if the goal of reducing the nursing facility bed capacity in Oregon by 1,500 beds is not achieved.¶¶

(a) For the period beginning July 1, 2013 and ending June 30, 2016, the Department shall reimburse costs as set forth in section (1) of this rule at the 63rd percentile.¶¶

(b) For each three-month period beginning on or after July 1, 2016 and ending June 30, 2018, in which the reduction in bed capacity in licensed facilities is less than the goal described in this section, the Department shall reimburse costs at a rate not lower than the percentile of allowable costs according to the following schedule:¶¶

(A) 63rd percentile for a reduction of 1,500 or more beds.¶¶

(B) 62nd percentile for a reduction of 1,350 or more beds but less than 1,500 beds.¶¶

(C) 61st percentile for a reduction of 1,200 or more beds but less than 1,350 beds.¶¶

(D) 60th percentile for a reduction of 1,050 or more beds but less than 1,200 beds.¶¶

(E) 59th percentile for a reduction of 900 or more beds but less than 1,050 beds.¶¶

(F) 58th percentile for a reduction of 750 or more beds but less than 900 beds.¶¶

(G) 57th percentile for a reduction of 600 or more beds but less than 750 beds.¶¶

(H) 56th percentile for a reduction of 450 or more beds but less than 600 beds.¶¶

(I) 55th percentile for a reduction of 300 or more beds but less than 450 beds.¶¶

(J) 54th percentile for a reduction of 150 or more beds but less than 300 beds.¶¶

(K) 53rd percentile for a reduction of 1 to 149 beds.¶¶

(c) For the period beginning July 1, 2018 and ending June 30, 2026, the Department shall reimburse costs, as set forth in section (1) of this rule, at the 62nd percentile.¶¶

(4) The complex medical rate is 140% percent of the basic rate.¶¶

(5) The Ventilator Assisted Program rate is 200% of the established basic rate.

Statutory/Other Authority: ORS 410.070

Statutes/Other Implemented: ORS 410.070, OL 2003 chapter 736, OL 2007 chapter 780, OL 2009 Chp. 827, OL 2011 Chp. 630, OL 2013 Ch. 608, OL 2018 Chp. 66