



Department of
Developmental Disabilities

John Kasich, Governor
John L. Martin, Director

To: ICF Providers

From: Debbie Jenkins – ICF Administrator, DODD

Date: November 5, 2013

Re: FY15 ICF rate changes for large ICFs

The department would like to provide some further guidance regarding some of the rate setting methodology changes for FY15 that will be implemented in accordance with Am. Sub. H.B. 59, impacting ICFs in the large peer group (9 beds or more). If you are a small ICF (8 beds or less), you are not impacted by these changes.

Section 5124.17 (D)(2) allows non-extensive renovation approvals after July 1, 2013 for ICFs in the large peer group, only if the non-extensive renovation is part of a project that results in the ICF becoming a downsized or partially converted ICF.

Section 5124.17 (E)(1)(a) reduces the capital efficiency incentive for ICFs in the large peer group by half, if the large ICF does not have a downsizing or conversion plan approved by the department. This combined with Section 259.210 reduces the capital efficiency incentive from 50% to 25% for large facilities with an approved downsizing or conversion plan and from 25% to 12.5% for large facilities without an approved downsizing or conversion plan.

Section 5124.21 (B)(2)(b) sets the indirect efficiency incentive ceiling for large facilities without an approved downsizing or conversion plan at one-half of the FY14 indirect efficiency incentive ceiling for the large peer group. ICFs in the large peer group with an approved downsizing or conversion plan will have an indirect efficiency incentive ceiling for FY15 equal to the facility's FY14 indirect efficiency incentive ceiling.

All of these changes are affected by approved downsizing or conversion plans. Approval can be one of the following 1) An approved Development Application 2) Notice of Conversion Approval from the department or 3) A letter of support for your proposal from the Director.

Some important things to note are:

- 1) In order to be exempt from the FY15 rate reductions, the downsizing or conversion plan must include a reduction of the lesser of 5 beds or 10% of the total beds at the ICF **AND** must be completed by 7/1/2018
- 2) Any facility that has downsized or converted since 7/1/2011 will be eligible for the exemptions listed above
- 3) Downsizing and/or conversion plans are by provider number, so organizations with multiple provider numbers will only be exempt for the facilities that have approved plans.
- 4) Downsizing and/or conversion plans need to obtain Department approval prior to June 1, 2014 to allow for rate setting to be complete for payment of July dates of service at new FY15 rates.

If a provider is interested in downsizing or conversion, please contact me at Deborah.Jenkins@dodd.ohio.gov or 614-387-0578.

CC: John Martin, Director, DODD
Patrick Stephan, Deputy Director, DODD
Kate Haller, Deputy Director, DODD