



Department of
Job and Family Services

John R. Kasich, Governor
Michael B. Colbert, Director

August 2011

Re: Change in base payment rates for the first hour provided by agencies and independent providers for nursing and aide services delivered in a home or community setting.

Dear Independent Providers and Agencies:

As you know, Ohio's State Fiscal Year 12 -13 budget contained many benefit and payment reforms that will improve Medicaid efficiency and effectiveness, including changes to the way Medicaid pays for nursing and aide services. Beginning with services delivered in October 2011, the State will reduce the base payment rates for nursing and aide services delivered in a home or community setting. **These reductions affect only the first hour of service.**

These changes are necessary because existing provider payment rates are not synchronized with current market rates. In addition, agency and independent providers are paid the same amount even though agency providers have administrative business expenses that independent providers do not

In the first year, changes to the first-hour rates will be as follows:

For Agency Providers:

- For nursing services, the first-hour rate will be reduced from \$54.95 to \$52.20
- For aide services, the first-hour rate will be reduced from \$23.98 to \$23.26.

For Independent Providers:

- For nursing services, the first-hour rate will be reduced from \$54.95 to \$41.76
- For home care attendant services, the first-hour rate will be reduced from \$33.36 to \$25.89
- For aide services, the first-hour rate will be reduced from \$23.98 to \$18.61.

The budget also contains language that gives ODJFS latitude to change rates in the second year of the biennium, and beyond. This will allow the State to review the rate setting methodology and propose changes on the basis of such criteria as labor market data, education and licensure status (i.e., rates for RNs and LPNs), length of service visit, and agency vs. independent providers.

Thank you for your interest in this issue.

Sincerely,

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Office of Ohio Health Plans
Ohio Department of Job and Family Services

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