



# Department of Medicaid

**Mike DeWine**, Governor  
**Jon Husted**, Lt. Governor

**Maureen M. Corcoran**, Director

**TO:** Contracted Medicaid Managed Care Plans (MCPs)  
Contracted MyCare Ohio Plans (MCOPs)

**FROM:** Roxanne Richardson, Deputy Director, Office of Managed Care

**DATE:** May 28, 2020

**SUBJECT:** Nursing Facility Payments

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ODM has consistently maintained that a Medicaid managed care plan (MCP) or MyCare Ohio plan (MCOP) is required to pay a nursing facility, at a minimum, at the rate specified in statute. Unlike other providers, the calculation of nursing facility per diem rates is specifically established in statute (Ohio Revised Code 5165.15). The statute does not offer an exception for nursing facilities paid through managed care. Furthermore, the calculation in Ohio Revised Code 5165.15 is used by ODM in the calculation of the capitation rates paid to managed care plans.

While federal Medicaid rules do not require managed care plans to pay a specific rate for nursing facility services, the state has the authority under 42 CFR 438.6 to require managed care plans to adopt a minimum fee schedule. Further, while the provider agreement may not currently specifically call out the nursing facility rate, it does require managed care plans to follow state laws and regulations generally and specifically, to follow state Medicaid program requirements and other requirements as specified by ODM.

ODM will be adding specific language to the July 2020 MCP and MCOP provider agreements to require plans, at a minimum, to pay nursing facility rates as outlined in ORC 5165.15.

Questions or comments regarding this memo can be sent to [ManagedCarePolicy@medicaid.ohio.gov](mailto:ManagedCarePolicy@medicaid.ohio.gov).