(1) Ancillary and support costs;

(2) Capital costs;

(3) Direct care costs;

(4) Tax costs.

(I) "Custom wheelchair" means a wheelchair to which both of the following apply:

(1) It has been measured, fitted, or adapted in consideration of either of the following:

(a) The body size or disability of the individual who is to use the wheelchair;

(b) The individual's period of need for, or intended use of, the wheelchair.

(2) It has customized features, modifications, or components, such as adaptive seating and positioning systems, that the supplier who assembled the wheelchair, or the manufacturer from which the wheelchair was ordered, added or made in accordance with the instructions of the physician of the individual who is to use the wheelchair.

(J)(1) "Date of licensure~~,~~" ~~for a~~ means the following:

(a) In the case of a nursing facility ~~originally~~ that was required by law to be licensed as a nursing home under Chapter 3721. of the Revised Code when it originally began to be operated as a nursing home, ~~means~~ the date ~~specific beds were~~ the nursing facility was originally so licensed ~~as nursing home beds under that chapter, regardless of whether they were subsequently licensed as residential facility beds under section 5123.19 of the Revised Code. For a facility originally licensed as a residential facility under section 5123.19 of the Revised Code, "date of licensure" means the date specific beds were originally licensed as residential facility beds under that section.~~;

~~If~~ (b) In the case of a nursing ~~home beds licensed under Chapter 3721. of the Revised Code or residential facility beds licensed under section 5123.19 of the Revised Code were~~ facility that was not required by law to be licensed as a nursing home when ~~they were~~ it originally ~~used to provide~~ began to be operated as a nursing home ~~or residential facility services~~, ~~"date of licensure" means~~ the date ~~the beds~~ it first ~~were used to provide~~ began to be operated as a nursing home ~~or residential facility services~~, regardless of the date the ~~present provider obtained licensure~~ nursing facility was first licensed as a nursing home.

(2) If ~~a facility adds~~, after a nursing facility's original date of licensure, more nursing home beds ~~or residential facility beds or extensively renovates all or part of the facility after its original date of licensure~~ are added to the nursing facility, ~~it will have~~ the nursing facility has a different date of

~~for nursing facilities only, direct care costs include costs~~;

(8) Costs of habilitation staff (other than habilitation supervisors), medical supplies, emergency oxygen, over-the-counter pharmacy products, behavioral and mental health services, physical therapists, physical therapy assistants, occupational therapists, occupational therapy assistants, speech therapists, audiologists, habilitation supplies, ~~wheelchairs, resident transportation,~~ and universal precautions supplies~~.~~;

~~(3) In addition to the costs specified in division (H)(1) of this section, for intermediate care facilities for the mentally retarded only, direct care costs include both of the following:~~

~~(a) Costs for physical therapists and physical therapy assistants, occupational therapists and occupational therapy assistants, speech therapists, audiologists, habilitation staff (including habilitation supervisors), qualified mental retardation professionals, program directors, social services staff, activities staff, off-site day programming, psychologists and psychology assistants, and social workers and counselors;~~

~~(b) Costs of training and staff development, employee benefits, payroll taxes, and workers' compensation premiums or costs for self-insurance claims and related costs as specified in rules adopted under section 5111.02 of the Revised Code, for personnel listed in division (H)(3)(a) of this section.~~

~~(4)~~(9) Until January 1, 2014, costs of oxygen, wheelchairs, and resident transportation;

(10) Beginning January 1, 2014, costs of both of the following:

(a) Emergency oxygen;

(b) Wheelchairs other than the following:

(i) Custom wheelchairs;

(ii) Repairs to and replacements of custom wheelchairs and parts that are made in accordance with the instructions of the physician of the individual who uses the custom wheelchair.

(11) Costs of other direct-care resources that are specified as direct care costs in rules adopted under section ~~5111.02~~ 5165.02 of the Revised Code.

~~(I)~~(M) "Dual eligible individual" has the same meaning as in section 5160.01 of the Revised Code.

(N) "Effective date of a change of operator" means the day the entering operator becomes the operator of the nursing facility.

(O) "Effective date of a facility closure" means the last day that the last of the residents of the nursing facility resides in the nursing facility.

(P) "Effective date of an involuntary termination" means the date the department of medicaid terminates the operator's provider agreement for the

Washington, Wayne, Williams, and Wyandot.

(2) Beginning with the first rebasing, the peer groups shall be composed as they are under division (C)(1) of this section except that each nursing facility located in Mahoning or Stark county shall be placed in peer group two rather than peer group three.

(D)(1) The department shall determine a cost per case-mix unit for each peer group established under division (C) of this section. The department is not required to conduct a rebasing more than once every ten years. Except as necessary to implement the amendments made to this section by Am. Sub. H.B. 153 and Sub. H.B. 303, both of the 129th general assembly, and H.B. 59 of the 130th general assembly, the cost per case-mix unit determined under this division for a peer group shall be used for subsequent years until the department conducts a rebasing. To determine a peer group's cost per case-mix unit, the department shall do all of the following:

(a) Determine the cost per case-mix unit for each nursing facility in the peer group for the applicable calendar year by dividing each facility's desk-reviewed, actual, allowable, per diem direct care costs for the applicable calendar year by the facility's annual average case-mix score determined under section ~~5111.232~~ 5165.192 of the Revised Code for the applicable calendar year;

(b) Subject to division (D)(2) of this section, identify which nursing facility in the peer group is at the twenty-fifth percentile of the cost per case-mix units determined under division (D)(1)(a) of this section;

(c) Calculate the amount that is two per cent above the cost per case-mix unit determined under division (D)(1)(a) of this section for the nursing facility identified under division (D)(1)(b) of this section;

(d) Using the index specified in division (D)(3) of this section, multiply the rate of inflation for the eighteen-month period beginning on the first day of July of the applicable calendar year and ending the last day of December of the calendar year immediately following the applicable calendar year by the amount calculated under division (D)(1)(c) of this section;

(e) Add the following to the amount calculated under division (D)(1)(d) of this section:

(i) Until the earlier of January 1, 2014, or when the first rebasing occurs, ~~add~~ one dollar and eighty-eight cents ~~to the amount calculated under division (D)(1)(d) of this section~~;

(ii) Unless the first rebasing occurs before January 1, 2014, beginning January 1, 2014, and until the first rebasing occurs, eighty-six cents.

(f) Until the first rebasing occurs, increase the amount calculated under division (D)(1)(e) of this section by five and eight hundredths per cent.

quality of care, and purchasing strategies for nursing facility services provided to Medicaid recipients with specialized health care needs;

(2) Not later than December 31, 2013, submit a report to the General Assembly in accordance with section 101.68 of the Revised Code that includes the Workgroup's findings and recommendations for policies on nursing facilities excluding distinct parts of their facilities from their Medicaid provider agreements.

(E) The Workgroup shall cease to exist on submission of its report.

SECTION 323.236. PURCHASING STRATEGIES FOR CERTAIN SERVICES

As used in this section, "custom wheelchair" has the same meaning as in section 5165.01 of the Revised Code.

For the period beginning January 1, 2014, and ending June 30, 2015, the Medicaid Director shall implement strategies for purchasing oxygen (other than emergency oxygen), resident transportation services, and custom wheelchairs for Medicaid recipients residing in nursing facilities. In implementing the purchasing strategies, the Director shall seek to achieve a more efficient allocation of resources and price and quality competition among providers of the goods and services. The Director shall consider one or more of the following when determining the purchasing strategies to implement:

(A) Establishing competitive bidding;

(B) Establishing manufacturers rebate programs;

(C) Another purchasing strategy that saves the Medicaid program an amount equivalent to the savings that would be realized from the purchasing strategies specified in division (A) or (B), or both, of this section.

SECTION 323.250. REDUCED RATE FOR REPEAT RADIOLOGICAL SERVICES

(A) The Medicaid Director shall reduce the Medicaid payment rate for radiological services to which both of the following apply:

(1) They are provided in a physician's office or an independent diagnostic testing facility;

(2) They are provided more than once by the same provider for the same Medicaid recipient during the same session.

(B) The Director shall adopt rules under section 5164.02 of the Revised Code to implement the rate reduction required by this section. The rules shall not take effect before January 1, 2014.