To: ICF Providers

From: Debbie Jenkins – ICF Administrator, DODD

Date: February 10, 2013

Re: Individual Assessment Form (IAF) RAC group changes

Am. Sub. H.B. 59 directed the department to work with ICF provider associations to study alternative IAF grouper methodologies and no later than December 31, 2013 recommend changes to the current methodology outlined in OAC 5123:2-7-20. If no recommendation was made, Am. Sub. H.B. 59 directed the department to replace the current grouper methodology used for rate setting, beginning with fiscal year 2015 rate setting, with six classes based on historical information available to the department.

An ICF reimbursement workgroup was convened in August 2013 to begin reviewing the potential options for changes to the Resident Assessment Classification (RAC) methodology. Historical documentation from the study creating the IAF tool and grouper methodology was reviewed over the next several months, including information on the creation of 6 RAC groups.

The reimbursement workgroup studied this information and discussed implementation strategies and impacts. The recommendation from the group was to continue with the direction outlined in Am. Sub. H.B. 59 to transition to 6 RAC groups beginning with the calculation of the fiscal year 2015 ICF rates.

The new RAC groups will be:

1) Chronic Medical (no change)
2) Overriding Behaviors (no change)
3) High Adaptive Needs and Chronic Behaviors
4) High Adaptive Needs and Non-significant Behaviors
5) Chronic Behaviors and Typical Adaptive Needs
6) Typical Adaptive Needs (previous RAC 4)
As part of the transition to 6 RAC groups, it was determined that relative resource weights for the calculation of case-mix scores needed to be recalibrated. This was done per the requirements of OAC 5123:2-7-20 using wage and hours data from the past three years of cost reports (calendar years 2010, 2011 & 2012).

<table>
<thead>
<tr>
<th>RAC Group Number</th>
<th>RAC Group Name</th>
<th>Relative Resource Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Chronic Medical</td>
<td>2.0888</td>
</tr>
<tr>
<td>2</td>
<td>Overriding Behaviors</td>
<td>1.9206</td>
</tr>
<tr>
<td>3</td>
<td>Chronic Behaviors and High Adaptive Needs</td>
<td>1.8935</td>
</tr>
<tr>
<td>4</td>
<td>High Adaptive Needs and Non-significant Behaviors</td>
<td>1.7434</td>
</tr>
<tr>
<td>5</td>
<td>Chronic Behaviors and Typical Adaptive Needs</td>
<td>1.3593</td>
</tr>
<tr>
<td>6</td>
<td>Typical Adaptive Needs</td>
<td>1.0000</td>
</tr>
</tbody>
</table>

The department is in the process of recalculating case mix scores for the providers’ IAF submissions for March 31 2013, June 30 2013 and September 30 2013 reporting period end dates based on the 6 RAC groups. Once the recalculated final quarterly reports are complete, they will be available via the online IAF application.

Since the December 31 2013 reporting period end dates final reports have not been issued yet, they will be calculated based on the six RAC groups and resource weights listed above.

A separate notification, through our ICF email distribution list, will be forthcoming once the recalculated reports are available. If you are not currently receiving emails through the ICF email distribution list, please send an email to webmaster@list.dodd.ohio.gov and request to be added to the ICF list serve.

If you have any questions regarding the changes to the RAC group methodology, 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  
       Josh Anderson, DODD