

State West Virginia

4.19 Payments for Medical and Remedial Care and Services

ATTACHMENT 4.19D

Methods and Standards for Determining Payment Rates for State-owned Long Term Care Facilities (SNF, ICF, and ICF/MR Facilities)

Rate Setting Methodology

Payment rates are determined annually on a cost-related basis using Medicare principles of reimbursement in effect prior to October 1, 1983 as specified in HIM.15.

Interim per diem rates are calculated based on projected budgets for each State facility for each fiscal year (July 1 to June 30) by dividing the sum of all anticipated costs by the projected patient days. Anticipated costs include salaries, current expenses (fuel, utilities, food, drugs, and other expenses), repairs and betterments, depreciation of buildings and equipment, building bond interest and other expenses related to patient care, such as central office support (program supervisory staff), collections administration (collections for state hospital facilities), other indirect costs (department personnel, medical director, information systems, and program analysis), and statewide support costs (central payroll, statewide personnel, and other state agency support to state LTC facilities). Projected patient days are determined from population estimates, based upon actual patient days and trends shown from prior years.

Cost reports are submitted by each facility on the HCFA-2552 forms completed according to HIM-15 instructions. Reconciliation of cost to payment is performed by State agency staff with appropriate adjustments made for overpayments or underpayments. Final payment will not exceed that allowed under the Medicare principles of reimbursement.

Assurances

In accordance with Section 1902(a) (13) (B):

The payment methodology used for state LTC facilities does not allow reimbursement for capital-related costs resulting from a change in ownership in excess of that allowed under the Medicare principles.

In accordance with 42 CFR 447.253:

The rates paid for services provided by state LTC facilities are reasonable and adequate to meet the costs that must be incurred by efficiently and economically operated facilities to provide services in conformity with applicable State and Federal laws, regulations, and quality and safety standards.

Payments for services provided in state owned LTC facilities are reasonably expected not exceed the amount that would be paid for the services under Medicare principles of reimbursement.

There is an appeals or exception procedure for review of payment rates that allows individual providers to submit additional information and receive prompt administrative review.

Periodic audits of the financial and statistical records are conducted by the State agency.

For any significant change in rate-setting methods or standards for state owned LTC facilities, public notice requirements in 447.205 will be followed.

Payments for services provided in state owned LTC facilities will be determined in accordance with methods and standards specified in the State Plan.

In accordance with 42 CFR 447.255:

Estimated average proposed payment rate:

ICF-MR

Colin-Anderson	\$126.06
Greenbrier	\$131.23

SNF/ICF

Denmar	\$ 76.00
Lakin	\$106.75
Marion	\$ 88.61
Pinecrest	\$ 90.92
Welch	\$ 90.57

Payment rate in effect for the immediately preceding rate period:

ICF-MR

Colin Anderson	\$113.79
Greenbrier	\$ 74.35
Denmar	\$ 47.22
Lakin	\$ 44.95
Marion	\$ 52.42
Pinecrest	\$ 51.49
Welch	\$ 47.41

The change in payment rate determination for State owned facilities is not expected to affect the availability of services, type of care furnished, or extent of provider participation.

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Page 44.19 Payments for Long Term Care Services**Nursing Home Services****Special Payments to Essential Public Safety Net Nursing Homes**

- I. Specific criteria for Nursing Home Participation:
 - A. Must be a West Virginia licensed Nursing Home;
 - B. Must be enrolled as a West Virginia Medicaid provider;
 - C. Must be a state-owned or operated nursing home, as determined by the Department of Health and Human Resources, Bureau for Medical Services (Bureau).
- II. Payment Methodology:
 - A. A supplemental payment will be made to each qualifying Essential Public Safety Net Nursing Home based on the following calculation.
 - B. For each state fiscal year, the Bureau calculates the reasonable estimate of the amount that would be paid under Medicare payment principles, for each qualifying provider using the minimum data set (MDS) data derived from Medicaid residents in state nursing facilities, which will be grouped using the Medicare PPS grouper software into the 44 RUGS level categories as defined by the current Medicare nursing home prospective payment system. Once the MDS data is grouped into the appropriate Medicare RUGs categories, the payment amount will be calculated using the Medicare RUGs payment rate for each RUG category multiplied by the Medicaid utilization of that category. The reasonable estimate of the amount that would be paid using Medicare payment principles would be the sum of all the Medicare RUG payment rates using Medicaid utilization for all qualifying state owned or operated and non-state owned or operated facilities in conformance with 42 CFR 447.272. An adjustment to the final calculation will be made regarding pharmacy and other ancillary service payments, as appropriate, in order to ensure that there is comparability between services provided by Medicare and Medicaid.
 - C. The Bureau determines the total Medicaid days reported by each state government owned or operated nursing facility for a fiscal period using cost reports from the most recent fiscal year for which all qualifying facilities have acceptable cost reports on file with the Bureau.

TN No. 03-01
Supersedes
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Nursing Home Services

- D. The Bureau divides the total Medicaid days for each state government owned or operated nursing facility by the total Medicaid days for all state government owned or operated nursing facilities to determine the supplementation factor for each state government owned or operated nursing facility.
- E. For each state government owned or operated nursing facility, the Bureau multiplies the facilities supplementation factor, determined in II.D. above, by the total additional payment amount identified in II.B. above to determine the additional payment to be made to each state government owned or operated nursing facility.
- F. Supplemental payments under this section will be made on a quarterly basis after services have been furnished.

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TN No. New

Approved MAR 24 2004

Effective Date FEB - 1 2003

COPY

AFFIDAVIT OF PUBLICATION

STATE OF WEST VIRGINIA,
COUNTY OF CABELL, TO-WIT:

NOTICE

**PUBLIC NOTICE
CHANGES IN MEDICAID
LONG-TERM CARE
REIMBURSEMENT**

Effective November 1, 1986, the West Virginia Department of Human Services which administers the Title XIX (Medicaid) Program in the state of West Virginia proposes to change the methodology used to determine payments for skilled and intermediate care facility services and intermediate care facility services for the mentally retarded provided by state-owned and state-operated facilities.

The proposed changes in methodology are intended to more realistically recognize the actual costs of providing long-term care services to Medicaid patients in such facilities. The annual aggregate expenditures for long-term care services are estimated to increase by eight percent as a result of these changes.

Documents detailing these changes will be available for public review in local area and county Department of Human Services' offices during normal working hours (8:30 a.m. to 4:30 p.m. Monday through Friday) beginning October 20, 1986.

Written comments may be addressed to: Office of Assistant Commissioner for Medical Services, West Virginia Department of Human Services, 1900 Washington Street, East (Room B-717), Charleston, West Virginia 25305. Written comments must be received by 4:30 p.m. on October 27, 1986.

Written comments may be reviewed on October 28 through 31, 1986 during normal working hours (8:30 a.m. to 4:30 p.m. Monday through Friday).
LH-1549 10-15-86

I, Fay Lovejoy being first duly sworn, depose and say that I am Legal Clerk for Huntington Publishing Company, a corporation, who publishes at Huntington, Cabell County, West Virginia, the newspaper: The Herald-Dispatch, a independent newspaper, in the morning seven days each week, Monday through Sunday including New Year's Day, Memorial Day, the Fourth of July, Labor Day, Thanksgiving and Christmas; that I have been duly authorized by the Board of Directors of such corporation to execute this affidavit of publication for and on behalf of such corporation and the newspaper mentioned herein; that the legal advertisement attached in the left margin of this affidavit and made a part hereof and bearing number LH-1549 was duly published in

The Herald-Dispatch

one time, ~~on the 15th day of October, 1986~~, commencing with its issue of the 15th day of October, 1986, and ending with the issue of the 15th day of October, 1986, and was posted at the East door of Cabell County Courthouse

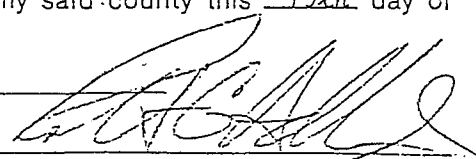
on the 15th day of October, 1986; that said legal advertisement was published on the following dates: October 15, 1986

; that the cost of publishing said annexed advertisement as aforesaid was \$21.03; that such newspaper in which such legal advertisement was published has been and is now published regularly, at least as frequently as once a week for at least fifty weeks during the calendar year as prescribed by its mailing permit, and has been so published in the municipality of Huntington, Cabell County, West Virginia, for at least one year immediately preceding the date on which the legal advertisement set forth herein was delivered to such newspaper for publication; that such newspaper is a newspaper of "general circulation" as defined in Article 3, Chapter 59, of the West Virginia Code, within the publication area or areas of the municipality of Huntington, Cabell and Wayne Counties, West Virginia, and

that such newspaper is circulated to the general public at a definite price or consideration; that such newspaper on each date published consists of not less than four pages without a cover; and that it is a newspaper to which the general public resorts for passing events of a political, religious, commercial and social nature, and for current happenings, announcements, miscellaneous reading matters, advertisements and other notices.

Taken, subscribed and sworn to before me in my said county this 15th day of October, 1986

My commission expires 12/20/93

Fay Lovejoy


Notary Public
Cabell County,
West Virginia

MAY 12 1987

NOV 01 1986

TN

Supercedes