



STATE OF WEST VIRGINIA  
DEPARTMENT OF HEALTH AND HUMAN RESOURCES  
Office of Accountability and Management Reporting

Sherri A. Young, DO, MBA, FAAFP  
Interim Cabinet Secretary

Jeffrey L. Bush, CPA  
Director

**DATE:** July 26, 2023

**TO:** Medicaid Certified Nursing Facilities  
**(Please give a copy of this memo to your cost report preparer)**

**FROM:** Barbara I Skeen, Director, Div of Rate Setting and Provider Reimbursement, Office of Accountability & Management Reporting

**RE:** Financial and Statistical Reports ended June 30, 2023  
**Additional Information Regarding Ancillary Services  
Addendum to Memorandum Dated July 6, 2023**

The Bureau for Medical Services Provider Manual 514.9, Ancillary Services, sets forth certain ancillary services as follows:

"The nursing facility must have formal arrangements for the provision of ancillary services necessary to support the primary activities of the facility, however they are not included in the per diem rate."

The Office of Accountability and Management Reporting (OAMR) in the past, due to Medicare Consolidated Billing, has interpreted these other ancillary costs (e.g., pharmacy, lab, x-ray, ambulance, etc.) as exceptions to this section and has allowed them.

Because these services are paid by Medicare, they should no longer be included in the WV Medicaid cost report as allowable costs and shall not be included in the per diem rate in the future. Effective with the June 30, 2023 cost reporting period and thereafter the above mentioned ancillary costs will not be allowed in determining the West Virginia Medicaid per diem rate.

Please send any questions concerning the cost report to Barbara Skeen, Director of Rate Setting and Provider Reimbursement, Office of Accountability and Management Reporting, at [Barbara.I.Skeen@wv.gov](mailto:Barbara.I.Skeen@wv.gov) and also copy [Sherry.L.Jarvis@wv.gov](mailto:Sherry.L.Jarvis@wv.gov) and [David.McCauley@wv.gov](mailto:David.McCauley@wv.gov). A new phone system has been installed. Barbara Skeen 304 352-6728, Sherry Jarvis 304 352-6734, David McCauley 304 352-6736.