



STATE OF WEST VIRGINIA  
DEPARTMENT OF HEALTH AND HUMAN RESOURCES  
Bureau for Medical Services

Bill J. Crouch  
Cabinet Secretary

Cynthia E. Beane  
Commissioner

To: WV Medicaid Providers  
From: Cynthia Beane, MSW, LCSW  
Commissioner  
Date: February 18, 2021  
RE: Long-Term Care Rate Setting Update

The Long-Term Care cost-based rate setting methodologies for the West Virginia Nursing Facility providers and the Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICF/IID) providers utilize a Standard Appraised Value (SAV) approach for updating the capital variable of the rates. The SAV updates the capital components of the respective rate systems and is performed by a professional actuarial firm contracted by the WV Bureau for Medical Services (BMS).

During 2020, the West Virginia Bureau for Medical Services had a change in appraisal vendors. Due to COVID-19, the new vendor had to update the appraisals using a virtual approach. As a result, not all SAVs had been completed in time to be used in the October 2020 rates.

Although a similar approach and consistent appraisal methodology was used by the new vendor, BMS noticed material fluctuations in the SAVs that have now been completed compared to previous appraisals. The 2019 SAV's will be used until further analysis can be performed between appraisals regarding material fluctuations.

In the past, WV has updated standard appraisal values each year. Per the West Virginia State Plan, section 4.19-D-1 Methods and Standards for Determining Payment Rates for Non-State-Owned Nursing Facilities these values are not required to be updated annually. *"Updates of the initial appraisal may be performed at any time prior to the October rate setting period."*

Additional information to update the standard appraisal value will be forthcoming.