



STATE OF WEST VIRGINIA
DEPARTMENT OF HEALTH AND HUMAN RESOURCES

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Governor

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Karen L. Bowling
Cabinet Secretary

MEMORANDUM

TO: Nursing Facility Providers

FROM: Tony E. Atkins *TEA*
Deputy Commissioner of Finance

SUBJECT: Changes of Reimbursement Methodologies

DATE: August 4, 2015

This memorandum is to inform all long-term care providers of some upcoming changes to the reimbursement methodologies and the current Standard Appraisal Values (SAV) that are completed annually.

- The Bureau for Medical Services (BMS) will be implementing a new “across-the-board” rate reduction to the rates calculated for October, 2015, by calculating rates and reducing every facility a certain dollar amount per day. As stated, this will be an “across-the-board” reduction; however, we are unable to provide the exact amount at this time until rates have been completed. This change is required in order to meet the Nursing Facility Medicaid budget. The West Virginia Medicaid Nursing Facility Provider Tax will increase as of October 1, 2015. The tax will increase to 5.72% and will remain in effect until June 30, 2016.
- Due to procurement issues with the appraisal contract, BMS will not require an SAV for 2015. However, facilities which have incurred capital expenditures since the last appraisal update which exceed a threshold of \$50,000 or more, may request a new appraisal at the expense of the facility. The cost of this SAV will not be allowed on the cost report.
- For those facilities that do not need or want an SAV for 2015, rates will continue to be set using the Consumer Price Index for the calculation.

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BMS is looking at changing the overall reimbursement methodology for all nursing facility providers as of July, 2016. Some of the conceptual ideas are:

- Rates would be adjusted using the Consumer Price Index
- Facilities could request a review of their base rate based upon exceeding a dollar threshold for capital improvements
- Target implementation date of July, 2016

The above information may not be new to some facilities, but to others, it may be and we are sure there are questions to go along with the new information. This is just the first step in the process and we wanted our providers to be aware of the upcoming proposed changes. If you have any questions, please feel free to contact Kelley Johnson at Kelley.S.Johnson@wv.gov. She will pass along those questions to the appropriate individuals.

We sincerely appreciate a cooperative partnership throughout these processes.