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State/Territory Name: Pennsylvania

State Plan Amendment (SPA) #: 20-0015

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- 1) Approval Letter
- 2) CMS 179 Form/Summary Form (with 179-like data)
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-26-12
Baltimore, Maryland 21244-1850



Financial Management Group

October 28, 2020

Ms. Teresa D. Miller, Secretary
Commonwealth of Pennsylvania
Department of Human Services
Office of Long Term Living/Forum Place 6th Floor
PO Box 8025
Harrisburg, PA 17105-8025

RE: State Plan Amendment (SPA) 20-0015

Dear Ms. Miller:

We have reviewed the referenced amendment to Attachment 4.19-D of your Medicaid State Plan. This amendment continues the application of a budget adjustment factor for private and non-state government owned nursing facilities.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30), and 1903(a) of the Social Security Act and the implementing Federal regulations at 42 CFR 447 Subpart C.

This letter is to inform you that Medicaid State Plan Amendment is approved effective July 1, 2020. The CMS-179 and amended plan pages are enclosed.

If you have any questions, or require additional information, please call Gary Knight at (304) 347-5723.

Sincerely,

[Redacted Signature]

For
Rory Howe
Acting Director

Enclosures

(gg) For rate setting years 2011-2012, 2012-2013 through 2015-2016, 2016-2017 through 2018-2019, and 2019-2020 through 2021-2022, the Department will apply a budget adjustment factor to county and non-public nursing facility payment rates for medical assistance nursing facility services. The budget adjustment factor shall limit payment rates for medical assistance nursing facility services for county and non-public nursing facilities so that the statewide day-weighted average payment rate is limited to the amount permitted by the funds appropriated by the General Appropriations Acts. For the rate setting year 2011-2012, the quarterly budget adjustment factor for non-public nursing facilities will be calculated as specified in Supplement III. For rate setting years 2012-2013 through 2015-2016, and 2016-2017 the base budget adjustment factor for non-public nursing facilities will be calculated as specified in Supplement III. The base budget adjustment factor for rate setting years 2012-2013 through 2015-2016, and 2016-2017 may be adjusted for the April – June calendar quarter and an April BAF computed and applied to nursing facility payment rates for that quarter as specified in Supplement III. For the rate setting years 2017-2018 through 2020-2021 the quarterly budget adjustment factor for non-public nursing facilities will be calculated as specified in Supplement III.

(i) A non-public nursing facility's case-mix per diem rate for an MA resident day will be the sum of the nursing facility's three net operating components and its capital rate component, multiplied by the budget adjustment factor. The non-public nursing facility's payment rate is recalculated on a quarterly basis.

(ii) Rates for new non-public nursing facilities, reorganized facilities and nursing facilities that experience a change of ownership during the rate year are set as specified in § 1187.97 (relating to rates for new nursing facilities, nursing facilities with a change of ownership, reorganized nursing facilities and former prospective payment nursing facilities) of the state regulations, and the sum of the three net operating and capital rate components for any of these facilities, is then multiplied by the same adjustment factor.

For FYs 2017-2018 through 2020-2021, the Department intends to calculate the BAF for nonpublic nursing facilities as set forth below.

Nonpublic Nursing Facilities' BAF Determination

Quarterly BAF Formula - Prior to establishing the MA nonpublic nursing facility quarterly rates for the 2017-2018 through 2020-2021 rate years, the Department will use the following formula to determine the Quarterly BAF:

Annual target rate divided by the weighted average quarterly rate at 100% equals the Quarterly BAF.

If the Quarterly BAF as calculated is greater than 1.0, the Quarterly BAF will equal 1.0.

Terms Related to the BAF Determination

The following words and terms, when used in the 2017-2018 through 2020-2021 BAF determinations; have the following meaning, unless the context clearly indicates otherwise:

Annual target rate – The base rate multiplied by one plus the percentage rate of change permitted by the funds appropriated by the General Appropriations Act for the applicable rate year.

Base days – The source of days for the day-weighted calculation used in determining the base rate and the weighted-average quarterly rates at 100%. The base days are the sum of each nonpublic nursing facility's paid facility days, therapeutic leave days and 1/3 of the hospital bed reserve days for dates of service for the quarter beginning six months prior to the quarterly rate for which the BAF is being calculated.

Base rate – For FY 2019-2020, the base rate is the prior year's target rate in effect as of January 1, 2019. For FYs 2017-2018, 2018-2019 and 2020-2021, the base rate is the prior year's annual target rate.

Quarterly BAF – The BAF applied to each nonpublic nursing facility's quarterly rate, as calculated for the quarter.