

Table of Contents

State/Territory Name: ME

State Plan Amendment (SPA) #: 12-003

This file contains the following documents in the order listed:

- 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, M/S S3-14-28
Baltimore, MD 21244-1850



Center for Medicaid and CHIP Services (CMCS)

Mary C. Mayhew, Commissioner
Department of Health and Human Services
State of Maine
221 State Street
11 State House Station
Augusta, ME 04333-0011

OCT 23 2012

RE: Maine 12-003

Dear Ms. Mayhew:

We have reviewed the proposed amendment to Attachment 4.19-D of your Medicaid State plan submitted under transmittal number (TN) 12-003. This amendment revises the reimbursement for ICF/MR services. Specifically, it increases the adjustment for the allowable cost associated with the ICF/MR Health Care Provider tax.

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. We are pleased to inform you that Medicaid State plan amendment 12-003 is approved effective January 1, 2012. We are enclosing the CMS-179 and the amended plan pages.

If you have any questions, please call Novena James-Hailey at (617) 565-1291.

Sincerely,

A handwritten signature in black ink, appearing to be "Cindy Mann". The signature is written in a cursive style with a large initial "C" and a distinct "M".

Cindy Mann
Director, CMCS

cc: Stefanie Nadeau, Director, Office of MaineCare Services
Derrick Grant, Policy Writer, Office of MaineCare Services

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE AND MEDICAID SERVICES		1. TRANSMITTAL NUMBER: 12 - 003	2. STATE: MAINE
TO: REGIONAL ADMINISTRATOR CENTERS FOR MEDICARE AND MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES		3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
5. TYPE OF PLAN MATERIAL (CHECK ONE): <input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" type="checkbox"/> AMENDMENT COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (<i>Separate Transmittal for each amendment</i>)		4. PROPOSED EFFECTIVE DATE(S) 01/01/2012	
6. FEDERAL STATUTE/REGULATION CITATION: 1902(A)(68)		7. FEDERAL BUDGET IMPACT: \$ 80,376 FFY 12 \$ 80,589.00 FFY 13 \$ 106,948.00	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: 4.19-D, SECTION 2, PAGE 8, 8005-B		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): 4.19-D, SECTION 2, PAGES 4-65	
SUBJECT OF AMENDMENT: PRINCIPLES OF REIMBURSEMENT FOR ICF-MR SERVICES			
11. GOVERNOR'S REVIEW (Check One): <input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL		<input checked="" type="checkbox"/> OTHER, AS SPECIFIED COMMISSIONER, DEPT. OF HEALTH AND HUMAN SERVICES	
12. SIGNATURE OF STATE AGENCY OFFICIAL: 13. TYPED NAME: MARY C. MAYHEW		16. RETURN TO: STEFANIE NADEAU, DIRECTOR OFFICE OF MAINE CARE SERVICES #11 STATE HOUSE STATION 1012 STATE STREET AUGUSTA, 04333-0011	
14. TITLE: COMMISSIONER MAINE DEPARTMENT OF HEALTH AND HUMAN SERVICES			
15. DATE SUBMITTED: MARCH 02, 2012			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED:		18. DATE APPROVED: OCT 23 2012	
PLAN APPROVED - ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: JAN - 1 2012		20. SIGNATURE OF REGIONAL OFFICIAL:	
21. TYPED NAME: Penny Thompson		22. TITLE: Deputy Director, CMCS	
23. REMARKS: Revision in box 7 & 9 made by State			

Intermediate Care Facilities for the Mentally Retarded

3000 FIXED COST COMPONENT (cont.)

3005.7 ICF-MR Health Care Provider Tax. ICFs-MR subject to the Health Care Provider Tax defined in State law 36 M.R.S.A., Chapter 373, will have the tax treated as an allowable fixed cost. As of January 1, 2012, the tax imposed is equal to six(6%) of its annual net patient services revenue for the fiscal year. This expense is allowed based on a cash basis instead of accrual basis.

3005.8 mandated direct care staff training program costs as required by State and Federal regulations.

3005.9 mandated accreditation costs.

3005.10 approved administrator in training expense.

3010 Depreciation. Allowance for depreciation based on asset costs.

3011 Principle. An appropriate allowance for depreciation on buildings and equipment is an allowable cost. The depreciation must be:

3011.1 Identified and recorded in the provider's accounting records.

3011.2 Based on historical cost and prorated over the estimated useful life of the asset using the straight-line method. If the estimated life of an asset is less than the term of the note used to purchase it, then the term of the note will be used for the life of that asset.

3011.21 The total historical costs of a building as constructed or purchased becomes the basis for the straight line depreciation method. Component depreciation is not allowed except on those items listed below with their minimum useful lives:

Electronic Components	20 year life
Plumbing and Heating Components	25 year life
Central Air Conditioning Unit	15 year life
Elevator	20 year life
Escalator	20 year life
Central Vacuum Cleaning System	15 year life
Generator	20 year life

3011.22 Any provider using the component depreciation that has been audited and accepted for cost reporting purposes prior to April 1, 1980, will be allowed to continue using this depreciation mechanism.

3011.3 Where an asset that has been used or depreciated under the program is donated to a provider, or where a provider acquires such assets through testate or intestate distribution (e.g., a widow inherits a skilled nursing facility upon the death of her husband and becomes a newly certified