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State/Territory Name: ME

State Plan Amendment (SPA) #: 16-0016

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 AND HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-26-12
Baltimore, MD 21244-1850



Financial Management Group

Ricker Hamilton, Commissioner
Department of Health and Human Services
State of Maine
221 State Street
11 State House Station
Augusta, ME 04333-0011

MAY 08 2018

RE: Maine 16-0016

Dear Commissioner Hamilton:

We have reviewed the proposed amendment to Attachment 4.19-D of your Medicaid state plan submitted under transmittal number (TN) 16-0016. This amendment revises reimbursement for nursing facility services. Specifically it increases nursing facility prospective reimbursement rates from 97.44 percent to 100 percent of all calculated direct care and routine cost components.



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. We are pleased to inform you that Medicaid State plan amendment 16-0016 is approved effective July 29, 2016. 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,



Kristin Fan
Director

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL		1. TRANSMITTAL NUMBER: 16-0016	2. STATE Maine
		3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
FOR: HEALTH CARE FINANCING ADMINISTRATION		4. PROPOSED EFFECTIVE DATE 07/29/2016	
TO: REGIONAL ADMINISTRATOR Centers for Medicare and Medicaid Services Department of Health and Human Services		5. TYPE OF PLAN MATERIAL (<i>Check One</i>): <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>)			
6. FEDERAL STATUTE/REGULATION CITATION: 42 CFR 447.201(b); 42 CFR 447.252(b)		7. FEDERAL BUDGET IMPACT: AN ADDITIONAL COST OF a. <u>\$1,216,280 for FFY 2016</u> b. <u>\$7,496,803 for FFY 2017</u>	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-D pages 55-56		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (<i>If Applicable</i>): Attachment 4.19-D pages 55-56	
10. SUBJECT OF AMENDMENT: Nursing Facility Services Reimbursement			
11. GOVERNOR'S REVIEW (<i>Check One</i>): <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: 		16. RETURN TO: Stefanie Nadeau Director, Office of MaineCare Services #11 State House Station 242 State Street Augusta, Maine 04333-0011	
13. TYPED NAME: Mary C. Mayhew		17. DATE RECEIVED:	
14. TITLE: Commissioner, Department of Health and Human Services		18. DATE APPROVED: MAY 08 2018	
15. DATE SUBMITTED: September 30, 2016		FOR REGIONAL OFFICE USE ONLY PLAN APPROVED – ONE COPY ATTACHED	
19. EFFECTIVE DATE OF AMENDMENT: JUL 29 2016		20. SIGNATURE OF REGIONAL OFFICIAL: 	
21. TYPED NAME: Kristin Fan		22. TITLE: Director, FMCe	
23. REMARKS: Pen and ink change in box 4 per state request.			

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

STATE: Maine

Attachment 4.19-D

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Nursing Facility Services Detailed Description of Reimbursement

submitted to the Office of Elder Services and to the Division of Reimbursement and Financial Services of the Office of MaineCare Services.

- 22.6.1.2. Based on an analysis of the cost report by the Department, the allowable costs will be determined based on the Principles of Reimbursement for Nursing Facilities contained herein.
- 22.6.1.3. The occupancy level that will be used in the calculation of the rate will be set at the days included on the pro forma cost report submitted at the time of the conversion or at the 95% occupancy level, whichever is greater.
- 22.6.1.4. Effective 8/1/10 The case mix index will be determined as stated in Sections 16.2, 22.3.1, 22.3.2, and 22.3.3.2.
- 22.6.1.5. The upper limits for the direct and routine care cost components will be inflated forward to the end of the fiscal year of the proforma cost report submitted as required in Section 22.6.1.1.
- 22.6.1.6. The reimbursement rates set, as stated in Sections 22.6.1.1 and 22.6.1.5, will remain in effect for the period of three (3) years from the date that they are set under these Principles. The direct and routine components will be inflated to the current year, subject to the peer group cap. Reimbursement rates and all rate letters will have an effective date of the first day of the subsequent month after the date of the licensure change.
- 22.6.1.7. At the conclusion of the three years, the reimbursement rate will be rebased to the fiscal year stated in Sections 41.3.1, 42.1, and 17 or the most recent audited full fiscal year occurring after the conversion of nursing facility beds to residential care beds, whichever is the most current.
- 22.6.1.8. Section 22.6 is effective for nursing facilities with the effective date of conversion of nursing facility beds to residential care facility beds occurring on or after January 1, 1996.

23. INTERIM, SUBSEQUENT, AND PROSPECTIVE RATES

- 23.1. Interim Rate and Subsequent Year Rates. Effective 8/1/10 Fifteen days prior to the beginning of the State fiscal year, an interim rate will be established by using the fixed cost component of the latest audited cost report and adding to it the inflated routine cost components of the base year. The interim rate in subsequent fiscal years will be determined in the same manner as outlined above. The direct cost component is computed as specified in Section 80.3.4.
- 23.2. Fixed costs may be adjusted upon request of the provider when sufficient documentation (determined by the DHHS) has been provided to the Department. These adjustments will be effective with the next issuance of an interim rate.
- 23.3. **Prospective Rate.** The prospective rate, excluding fixed costs, shall be calculated to be 100 percent of all of the calculated Direct Care Cost Components and all of the Routine Cost Components.

Tn. No.: 16-016

Supersedes

Tn. No.: 15-016

Approval Date:

MAY 08 2018

Effective: 07/29/2016

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

STATE: Maine

Attachment 4.19-D

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Nursing Facility Services Detailed Description of Reimbursement

23.4. **Funding Adjustment.** The Department will:

- a. Take each individual nursing facility's July 1, 2014 rebased Direct Care Rate and rebased Routine Care Rate, after those rates have been adjusted to the prospective rate described in Principle 23.3, and add the two rates together ("sum of July 1, 2014, adjusted and rebased Direct Care and Routine Care rates").
- b. The Department will compare the sum of July 1, 2014, adjusted and rebased Direct Care and Routine Care rates to each individual nursing facility's sum of April 1, 2014 Direct Care and Routine Care rates.
- c. If the Sum of July 1, 2014, adjusted and rebased Direct Care and Routine care rates is less than the sum of its April 1, 2014, Direct Care and Routine Care rates, the Department will make the following adjustment:
 - i. The Department will take the difference between the two sums, and add that difference to the rebased and adjusted July 1, 2014 routine rate.
- d. This Funding Adjustment will be done each year, by comparing the difference between the April 1, 2014 Sum of Direct Care and Routine Care rates, and the sum of Direct Care and Routine Care rates for the applicable year.

24. FINAL PROSPECTIVE RATE.

Upon final audit of all nursing facility's base year cost reports, the Department will determine a final prospective rate, which cannot be greater than 100 percent of all of the calculated direct Care Cost Component and all of the Routine Cost Components.

- 24.1. A cost report is settled if there is no request for reconsideration of the Division of Audit's findings made within the required time frame or, if such request for reconsideration was made and the Division of Audit has issued a final revised audit report.

25. FINAL AUDIT OF FIRST AND SUBSEQUENT PROSPECTIVE YEARS.

- 25.1. Principle. All facilities will be required to submit a cost report in accordance with Section 13.2 at the end of their fiscal year on cost report forms approved by the Department. The Department will conduct a final audit of each facility's cost report, which may consist of a full scope examination by Department personnel and which will be conducted on an annual basis.

- 25.2. Upon final audit of a facility's cost report for the first and subsequent prospective years, the Department will:

- 25.2.1. Determine the actual allowable fixed costs incurred by the facility during the cost reporting period,
- 25.2.2. Determine the occupancy levels of the nursing facility,
- 25.2.3. Determine reimbursable direct care costs incurred by the facility during the reporting period per Section 22.3.5

Tn. No.: 16-016

Supersedes

Tn. No.:15-016

Approval Date: **MAY 08 2018**

Effective: 07/29/2016