

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



Center for Medicaid, CHIP, and Survey & Certification

Dr. Robert L. Robinson
Executive Director
State of Mississippi
Office of the Governor
Division of Medicaid
Walter Sillers Building, Suite 1000
550 High Street
Jackson, MS 39201

September 26, 2011

RE: State Plan Amendment MS 10-029

Dear Dr. Robinson:

We have reviewed the proposed amendment to Attachment 4.19-D of your Medicaid State plan submitted under transmittal number (TN) 10-029. Effective August 25, 2010 this amendment proposes to revise the payment methodology for services provided by Nursing Facilities, Intermediate Care Facilities for the Mentally Retarded and Psychiatric Residential Treatment Facilities. Specifically, this amendment proposes to continue the rates in effect as of January 1, 2010 through June 30, 2011.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(13), 1902(a)(30), and 1903(a) of the Social Security Act and the implementing Federal regulations at 42 CFR Part 447. We have found that the proposed changes in payment methodology comply with applicable requirements and therefore have approved them with an effective date of August 25, 2010. We are enclosing the CMS-179 and the amended approved plan pages.

If you have any questions, please call Stanley Fields at (502) 223-5332.

Sincerely

//s//

Cindy Mann
Director, CMCS

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL	1. TRANSMITTAL NUMBER: 2010-029	2. STATE MS
	3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
FOR: HEALTH CARE FINANCING ADMINISTRATION	4. PROPOSED EFFECTIVE DATE October 1, 2010 August 25, 2010	
TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES		

5. TYPE OF PLAN MATERIAL (Check One):

NEW STATE PLAN AMENDMENT TO BE CONSIDERED AS NEW PLAN AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION: 42 CFR, Part 483	7. FEDERAL BUDGET IMPACT: a. FFY 2010 \$0 b. FFY 2011 (\$11,485,000)
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8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4 19-D pg 26, 99, 135, and 145	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Attachment 4.19-D, pg 26, 99, 135, and 145
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10. SUBJECT OF AMENDMENT:
To conform to use of the MDS 3.0 resident assessment instrument for nursing facility rate setting purposes And To clarify that the Medicaid provider assessment is an allowable cost for purposes of setting long-term care rates.

11. GOVERNOR'S REVIEW (Check One):

GOVERNOR'S OFFICE REPORTED NO COMMENT OTHER, AS SPECIFIED:
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL: 	16. RETURN TO: Robert L. Robinson Miss. Division of Medicaid Attn: Emily Thompson 550 High Street, Suite 1000 Jackson, MS 39201-1399
13. TYPED NAME: Robert L. Robinson	
14. TITLE: Executive Director	
15. DATE SUBMITTED:	

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:	18. DATE APPROVED: SEP 26 2011
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PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL: AUG 25 2010	20. SIGNATURE OF REGIONAL OFFICIAL:
21. TYPED NAME: Penny Thompson	22. TITLE: Deputy Director, CMCS

23. REMARKS:
Pen & ink change made to block # 4.

Facilities that undergo a change of ownership must file a cost report from the date of change of ownership through the end of the standard year end or other approved year end, as outlined in Section 1-3, A. The cost report must cover a reporting period of at least one month, defined as beginning on or before the fifteenth day of the month. If needed, to comply with this requirement, the initial cost report may cover up to thirteen months.

The cost report for the old owner, used in setting the old owner's rate just prior to the effective date of the change of ownership, will be used to set the base rates of the new owner until such time that the new owner's initial cost report is used under the regular rate setting schedule. Asset additions will be incorporated into the property rate using the regular schedule each January 1. Adjustments to the old owner's cost report otherwise required under this plan will apply to the new owner (i.e. audit adjustments, trend factors). The new owner's initial cost report will be used to rebase the new owner's rate for the second calendar year following the end of the initial cost report.

Example for January 1, 2013 Change of Ownership:

<u>Effective Date</u>	<u>Base Rate</u>	<u>Cost Report Used</u>	<u>Trend Multiplier</u>
December 31, 2012	\$174.00	Calendar year 2010	2.0
January 1, 2013	\$179.00	Calendar Year 2010	3.0
January 1, 2014	\$182.00	Calendar Year 2010	4.0
January 1, 2015	\$185.00	Calendar year 2013	2.0

TN NO 2010-029 DATE RECEIVED

SUPERSEDES DATE APPROVED **SEP 26 2011**

TN NO 2007-003 DATE EFFECTIVE 08/25/2010

reports used to calculate the base rate will be the cost report filed for the period ending in the second calendar year prior to the beginning of the next calendar rate year. For example, the base rates effective January 1, 2001 will be determined from cost reports filed for the year ended June 30, 1999 for state owned facilities, for the year ended September 30, 1999 for county owned facilities and for the year ended December 31, 1999 (or other approved year end) for all other facilities, unless a short period cost report and rate calculation are required by other provisions of this plan.

However, the per diem base rate in effect January 1, 2010, will continue to be effective through June 30, 2011, for facilities in operation as of August 25, 2010. For all facilities that are initially Medicaid certified between August 25, 2010 and June 30, 2011, the per diem base rate effective the first day of certification, computed in accordance with this plan subject to January 1, 2010 ceilings, will be used as the base rate through June 30, 2011. No adjustments to the base rate for dates after January 1, 2010 or the first effective day of Medicaid certification, otherwise required by this plan, will be used to determine nursing facility rates before July 1, 2011.

A description of the calculation of the per diem rate is as follows:

A. Direct Care Base Rate and Care Related Rate Determination

Direct care costs include salaries and fringe benefits for registered nurses (RN's), (excluding the Director of Nursing, the Assistant Director of Nursing and the Resident Assessment Instrument (RAI) Coordinator); licensed practical nurses (LPN's); nurse aides; feeding assistants; contract RN's, LPN's, and nurse aides, medical supplies and other direct care supplies; medical waste disposal; and allowable drugs.

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short period cost report and rate calculation is required by other provisions of this plan. Costs used in the rate calculations may be

adjusted by the amount of anticipated increase in costs or decrease in costs due to federal or state laws or regulations.

However, the ICF-MR rates in effect January 1, 2010 will continue to be effective through June 30, 2011, for facilities in operation as of August 25, 2010. For all other facilities that are initially Medicaid certified between August 25, 2010 and June 30, 2011, the per diem base rate effective the first day of Medicaid certification, computed in accordance with this plan subject to January 1, 2010 ceilings, will be used as the base rate through July 30, 2011. No adjustments to the rate for dates after January 1, 2010 or the first day of Medicaid certification, otherwise required by this plan, will be used to determine ICF-MR rates before July 1, 2011.

A description of the calculation of the rate is as follows:

A. Direct Care, Therapies, Care Related, and Administrative and Operating Rate Determination

1. Determine the per diem cost for direct care costs, therapies, care related costs, and administrative and operating costs for each facility during the cost report period. This is done by adding the total allowable costs for these cost centers and dividing the result by the total patient days.
2. Trend each facility's per diem cost as determined in 1, above, to the middle of the rate year using the ICF-MR and PRTF Trend Factor. This is done by multiplying the ICF-MR and PRTF Trend Factor in order to trend costs forward from the mid-point of

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the facility rate. For example, the rates effective January 1, 2001 will be determined from cost reports filed for the cost report year ended in 1999 unless a short period cost report and rate calculation is required by other provisions of this plan. Costs used in the rate calculations may be adjusted by the amount of anticipated increase in costs or decrease in costs due to federal or state laws or regulations.

However, the PRTF rates in effect January 1, 2010, will continue to be effective through June 30, 2011, for facilities in operation as of August 25, 2010. No adjustments to the rate for dates after January 1, 2010, otherwise required by this plan, will be used to determine PRTF rates before July 1, 2011.

A description of the calculation of the rate is as follows:

A. Direct Care, Therapies, Care Related, and Administrative and Operating Rate Determination

1. Determine the per diem cost for direct care costs, therapies, care related costs, and administrative and operating costs for each facility during the cost report period. This is done by adding the total allowable costs for these cost centers and dividing the result by the total patient days.
2. Trend each facility's per diem cost as determined in 1, above, to the middle of the rate year using the ICF-MR and PRTF Trend Factor. This is done by multiplying the ICF-MR and PRTF Trend Factor in order to trend costs forward from the mid-point of the cost report period to the mid-point of the payment period.

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TN NO	<u>2004-002</u>	DATE EFFECTIVE	<u>08/25/2010</u>