

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 11-005

Dear Dr. Robinson:

We have reviewed the proposed amendment to Attachment 4.19-D of your Medicaid State plan submitted under transmittal number (TN) 11-005. Effective July 1, 2011 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, 2012.

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 July 1, 2011. 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, MCS

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**

1. TRANSMITTAL NUMBER:
2011-005

2. STATE
MS

FOR: HEALTH CARE FINANCING ADMINISTRATION

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE
SOCIAL SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE
July 1, 2011

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 **2011** **\$(11,330,684)**
b. FFY **2012** **(\$33,741,878)**

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4 19-D pg 99, 135, and 145

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):
Attachment 4.19-D, pg 99, 135, and 145

10. SUBJECT OF AMENDMENT:

The long-term care base rates will remain at the current level through state fiscal year 2012 (June 30, 2012). Rates will continue to be case-mix adjusted each quarter.

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:

13. TYPED NAME: **Robert L. Robinson**

14. TITLE: **Executive Director**

15. DATE SUBMITTED:

16. RETURN TO:

**Robert L. Robinson
Miss. Division of Medicaid
Attn: Emily Thompson
550 High Street, Suite 1000
Jackson, MS 39201-1399**

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

18. DATE APPROVED:

SEP 26 2011

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

JUL - 1 2011

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME: **Penny Thompson**

22. TITLE: **Deputy Director, CMCS**

23. REMARKS:

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 effective January 1, 2010, will continue to be effective through June 30, 2012, 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, 2012, 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 June 30, 2012. No adjustments to the base rate, otherwise required by this plan, will be used to determine nursing facility rates after January 1, 2010 and before July 1, 2012, except that rates will be adjusted to incorporate facility cost changes related to the provider tax limit increase effective October 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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ATTACHMENT 4.19-D

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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 effective January 1, 2010, will continue to be effective through June 30, 2012, for facilities in operation as of August 25, 2010. For facilities that are initially Medicaid certified between August 25, 2010 and June 30, 2012, 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, 2012. No adjustments to the rate, otherwise required by this plan, will be used to determine ICF-MR rates after January 1, 2010 and before July 1, 2012, except that rates will be adjusted to incorporate facility cost changes related to the provider tax limit increase effective October 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 effective January 1, 2010, will continue to be effective through June 30, 2012, for facilities in operation as of August 25, 2010. For facilities initially Medicaid certified between August 25, 2010 and June 30, 2012, 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, 2012. No adjustments to the rate, otherwise required by this plan, will be used to determine PRTF rates after January 1, 2010 and before July 1, 2012, except that rates will be adjusted to incorporate facility cost changes related to the provider tax limit increase effective October 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.

TN NO	<u>2011-005</u>	DATE RECEIVED	
	SUPERSEDES	DATE APPROVED	SEP 26 2011
TN NO	<u>2010-009</u>	DATE EFFECTIVE	<u>07/01/2011</u>