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State/Territory Name: Nevada

State Plan Amendment (SPA) #: 17-016

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
San Francisco Regional Office
90 Seventh Street, Suite 5-300 (5W)
San Francisco, CA 94103-6706



DIVISION OF MEDICAID & CHILDREN'S HEALTH OPERATIONS

January 16, 2018

Richard Whitley, Director
Department of Health and Human Services
4126 Technology Way, Suite 100
Carson City, NV 89706

Dear Mr. Whitley:

Enclosed is an approved copy of Nevada State Plan Amendment (SPA) 17-016. The SPA updates Attachment 4.19-B to add additional language updating the reimbursement methodology for adult day care services. The SPA was submitted to my office on October 26, 2017.

The approval is effective October 1, 2017. Attached are copies of the following pages to be incorporated into your State Plan:

- Attachment 4.19-B, Pgs. 14 and 15a

If you have any questions, please contact Peter Banks by phone at (415) 744-3782 or by email at Peter.Banks@cms.hhs.gov.

Sincerely,

/s/

Henrietta Sam Louie
Associate Regional Administrator
Division of Medicaid & Children's Health Operations

cc: Marta Jensen: Acting Administrator, DHCFP

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

1. TRANSMITTAL NUMBER:

17-016

2. STATE:

NEVADA

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, 2017~~ ^{FB} October 1, 2017

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:

State Plan Under Title XIX of the Social Security Act: 42 CFR 447

7. FEDERAL BUDGET IMPACT:

a. ~~FFY 2017 (3 Mo)~~ \$ ~~117,871.75~~ ^{FB}
b. FFY 2018 \$ 481,603.46
FFY 2019 \$ 365,134

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19-B, Page 14 and 15a

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):

Attachment 4.19-B, Page 14 and 15a

10. SUBJECT OF AMENDMENT:

As approved by Nevada State Legislature, language will be added to the Nevada Medicaid Sate Plan to document the 5% rate increase for Adult Day Health Care Rates.

11. GOVERNOR'S REVIEW (Check One):

- GOVERNOR'S OFFICE REPORTED NO COMMENT
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

OTHER, AS SPECIFIED:
The Governor's Office does not wish to review the State Plan Amendment.

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:

Richard Whitley

14. TITLE:

Director, Department of Health and Human Services

15. DATE SUBMITTED:

10/26/17

16. RETURN TO:

**Lynne Foster, Chief of Division Compliance
DHCFFP/Medicaid
1100 East William Street, Suite 101
Carson City, NV 89701**

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

10/26/17

18. DATE APPROVED:

January 16, 2018

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL: **10/1/17**

20. SIGNATURE OF REGIONAL OFFICIAL:

/s/

21. TYPED NAME:

Henrietta Sam Louie

22. TITLE:

Associate Regional Administrator

23. REMARKS:

Pen and Ink Request: Box 4: Delete July 1, 2017 and add October 1, 2017. Box 7: Delete a. FFY 2017 (3 Mo) \$117,871 and add FFY 2019 \$365,134.

1915(i) Home and Community Based Services (HCBS) State Plan Services

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES Home and Community Based Services (HCBS) Adult Day Health Care (ADHC)

Reimbursement Methodology for Adult Day Health Care (ADHC) Services provided by a non-governmental entity and governmental entities who do not undergo the Medicaid cost identification and reporting procedures:

Prior to the beginning of each rate year, each of the governmental providers providing ADHC services must select one of the reimbursement methodologies described below for reimbursement. For example, by April 30, 2013, governmental providers must select a methodology for the rate year beginning July 1, 2013. Once a selected methodology is determined for a rate year, governmental providers will not be able to change the selected methodology until the following rate year.

Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers of ADHC services. The Agency's rates were set as of October 1, 2017 and are effective for services on or after that date. All rates are published on the Agency's website at <http://dhcfnv.gov/Resources/Rates/FeeSchedules/>

The billable unit of service for ADHC is one unit per 15 minutes or the daily rate.

- If services are authorized and provided for less than six hours per day, provider should bill one unit for each 15 minutes;
- If services are authorized and provided for six hours or more per day, provider should bill the per diem rate.

Rate Methodology:

The rate is market based. This model is developed to reflect service definitions, provider requirements, operational service delivery and administrative considerations. The following elements are used to determine the rate:

- Wage information is taken from the Bureau of Labor Statistics (BLS). The wage is based on similar occupations reported by BLS and identified by Medicaid staff as comparable to ADHC services.
- Employee related expenses (ERE) percentage of 27% was based on input from the Task Force members and Medicaid Staff. It includes paid vacation, paid sick leave, holiday pay, health insurance, life insurance, disability, workers compensation, and legally required payroll taxes.
- Productivity adjustment factor which accounts for the amount of non-billable time spent by staff. This includes the time staff needs to complete required documentation and record keeping, time associated with missed appointments and average travel time by the provider.
- Administrative overhead, 10%, is the percentage of service cost that should result from non-direct care activities. It includes insurance, administrative staff, operations and management activities and office supplies. Capital and related expenses is not included. It also does not include staff training.

SRV REF: Attachment 3.1 – G, Page 30 – 30a

1915(i) Home and Community Based Services (HCBS) State Plan Services
METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES

1. Fixed hourly rate is scaled to the proper unit based on the procedure code.

This rate has been compared to other private sector Fee-for-Service rates. Documentation of the assumptions used, rate development methodology, and fee schedule payment rates will be maintained by The Division of Health Care Financing and Policy.

Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers of ADHC services. The agency's rates were set as of October 1, 2017, and are effective for services on or after that date. All rates are published on the agency's website at:

<http://dhcfnv.gov/Resources/Rates/FeeSchedules/>