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State/Territory Name: Pennsylvania

State Plan Amendment (SPA) #: PA-11-011

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, CHIP, and Survey & Certification

Mr. Gary D. Alexander, Secretary
Commonwealth of Pennsylvania
Department of Public Welfare
Office of Medical Assistance Programs
Bureau of Policy, Budget and Planning
P.O. Box 8046
Harrisburg, PA 17105

SEP 23 2011

RE: State Plan Amendment (SPA) 11-011

Dear Mr. Alexander:

We have completed our review of State Plan Amendment (SPA) 11-011. This SPA modifies Attachment 4.19-D of Pennsylvania's Title XIX State Plan. Specifically, the amendment continues provisions for Medicaid day-one-incentive (MDOI) payments to county nursing facilities.

We conducted our review of this SPA according to the statutory requirements at sections 1902(a)(3), 1902(a)(13), 1902(a)(30), and 1903(a) of the Social Security Act (the Act) and the regulations at 42 CFR 447 Subpart C. We are approving Pennsylvania State plan amendment 11-011 effective date of July 1, 2011. We are enclosing the HCFA-179 (with pen and ink changes to block 7) and the amended plan pages.

If you have any questions, or require additional information, please call Gary Knight at (304) 347-5723.

Sincerely,

/s/

Cindy Mann
Director
Center for Medicaid, CHIP, and Survey & Certification

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL		1. TRANSMITTAL NUMBER: 11-011	2. STATE Pennsylvania
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):			
<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 (Separate Transmittal for each amendment)			
6. FEDERAL STATUTE/REGULATION CITATION: 42 CFR 447.250		7. FEDERAL BUDGET IMPACT: a. FFY 2011 \$0 b. FFY 2012 \$25,218,456	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19D, Part Ia, pages 1a, 2 and 2a		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Attachment 4.19D, Part Ia, pages 1a and 2	
10. SUBJECT OF AMENDMENT: Extension of Medicaid Day One Incentive payments and funding levels for fiscal year 2011-2012.			

11. GOVERNOR'S REVIEW (Check One):	
<input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT	<input checked="" type="checkbox"/> OTHER, AS SPECIFIED:
<input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED	
<input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL	

12. SIGNATURE OF STATE AGENCY OFFICIAL: <u>/s/</u>	16. RETURN TO:
13. TYPED NAME: Gary D. Alexander	Commonwealth of Pennsylvania Department of Public Welfare/Department of Aging Office of Long-Term Living 55 Walnut Street Forum Place, 5th Floor Harrisburg, Pennsylvania 17101-1919
14. TITLE: Secretary of Public Welfare	
15. DATE SUBMITTED: JUL 26 2011	

FOR REGIONAL OFFICE USE ONLY	
17. DATE RECEIVED:	18. DATE APPROVED: SEP 23 2011
PLAN APPROVED - ONE COPY ATTACHED	
19. EFFECTIVE DATE OF APPROVED MATERIAL: JUL - 1 2011	20. SIGNATURE OF REGIONAL OFFICIAL: <u>/s/</u>
21. TYPED NAME: Penny Thompson	22. TITLE: Deputy Director, CMCS
23. REMARKS:	

Methods and Standards Governing Payment
for
County Nursing Facility Services

4. For rate setting year 2009-2010 and 2010-2011, the Department will apply a budget adjustment factor to county and non-public nursing facility payment rates for medical assistance nursing facility services. The budget adjustment factor shall limit the estimated aggregate increase in the Statewide day-weighted average payment rate for medical assistance nursing facility services for county and non-public nursing facilities so that the aggregate percentage rate of increase for the period that begins July 1, 2005 and ends on June 30, 2011 is limited to the amount permitted by the funds appropriated by the General Appropriations Acts. The formula for this budget adjustment factor as it applies to county nursing facilities for the 2009-2010 rate year is as follows: $BAF = 1.00 + 0.01$. For the rate year beginning July 1, 2009, and ending June 30, 2010, the per diem rate paid to a county nursing facility for an MA resident will be the facility's July 1, 2008 per diem rate calculated in accordance with paragraph 1 above, multiplied by the budget adjustment factor of 1.01.

5. New county nursing facility. The per diem rate paid to a new county nursing facility for an MA resident will be the statewide average of all other county nursing facilities' per diem rates for the same rate setting year as established above.

B. Incentive Payments

1. *County MA Day One Incentive payment for FYs 2006-2007 thru 2011-2012.* The Department will make MA Day One Incentive (MDOI) payments to each qualified county nursing facility as an incentive to preserve the critical safety network county nursing facilities provide to the poor and indigent residents of Pennsylvania.

a. An annual MDOI will be calculated for each qualified county nursing facility, to be paid out in quarterly installments.

b. To qualify for an MDOI quarterly installment payment, the facility must be a county nursing facility both during the entire quarter for which the installment payment is being made and at the time the installment payment is made.

c. The Department will calculate each qualified county nursing facility's MDOI quarterly installment payment based on the following formula:

(i) The total funds allocated for the MDOI payments for the rate year will be divided by the total MA days for all county nursing facilities to determine the MDOI per diem for the rate year. The total MA days used for each county nursing facility will be the MA days identified on the most recent PROMISE data file used to determine the facility's eligibility for disproportionate share incentive payments. The state funds allocated for FYs 2006-2007 thru 2011-2012 are as follows:

FY - 2006-2007 - \$ 11,858,682
FY - 2007-2008 - \$ 12,330,822
FY - 2008-2009 - \$ 9,804,649
FY - 2009-2010 - \$ 13,868,883
FY - 2010-2011 - \$ 13,979,899
FY - 2011-2012 - \$ 20,574,781

(ii) The MDOI per diem for the rate year will be multiplied by each qualified county nursing facility's paid MA days identified on the most recent PROMISE data file used to determine eligibility for disproportionate share incentive payments, to determine its annual MDOI amount.

(iii) Each qualified county nursing facility's annual MDOI amount will be divided by four to determine the facility's MDOI quarterly installment payments for the rate year.

d. The MDOI installment payments for each quarter of the rate year will be paid in the first month of the following quarter.