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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. For rate setting year 2011-2012 and 2012-2013, 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 Statewide day-weighted average payment rate for medical assistance nursing facility services for county and non-public nursing facilities so that the average payment rate is limited to the amount permitted by the funds appropriated by the General Appropriations Acts. For the rate year beginning July 1, 2011, the per diem rate paid to a county nursing facility for an MA resident will be the facility's prior year per diem rate as calculated under Chapter 1189, Subchapter D and § 1189.91(b) multiplied by 1.0.
6. 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.

OS Notification

State/Title/Plan Number: Pennsylvania 11-016
Type of Action: SPA Approval
Required Date for State Notification: December 28, 2011
Federal Fiscal Impact:

FY 2011	\$0
FY 2012	\$0

Number of Potential Newly Eligible People: 0
Eligibility Simplification: No
Provider Payment Increase: No
Delivery System Innovation: No
Number of People Losing Medicaid Eligibility: 0
Reduces Benefits: No

Detail

The Pennsylvania State plan applies a budget adjustment factor (BAF) to control the year-to-year rate of increase in the State-wide per diem rate. PA 11-016 continues the application of a BAF for day-weighted average rates paid for Medicaid resident days at county nursing facilities and updates the BAF for rate year 2011-2012 and 2012-2013. The BAF for county NFs during 2011-2012 will be 1.0000. Under this SPA, the per diem rates will remain the same as the rate from 2010-2011. The approved plan has other add-on payments outside of the per diem payment. There is a CPE process, so ultimately "the rate" a county NF receives is 100% of reasonable costs.

The FFP impact is \$0. Non-Federal share is derived from appropriations, provider taxes, tobacco funds, and CMS approved IGTs and CPEs provided by county governments.

Public notice was provided in the Pennsylvania Bulletin on Saturday June 25, 2011. PA provided satisfactory answers to the standard funding questions. No Federally recognized tribes in PA, therefore no consultation necessary.

Other Considerations:

This plan amendment has not generated significant outside interest we are aware of, and we do not recommend the Secretary contact the governor.

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National Institutional Reimbursement Team