

## **Table of Contents**

**State Name:** Virginia

**State Plan Amendment (SPA) #:** 11-019

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 Page

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
150 S. Independence Mall West  
Suite 216, The Public Ledger Building  
Philadelphia, Pennsylvania 19106-3499



**Region III/Division of Medicaid and Children's Health Operations**

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SWIFT #022320124035

March 21, 2016

Cynthia B. Jones, Director  
Department of Medical Assistance Services  
600 East Broad Street, Suite 1300  
Richmond, VA 23219

Dear Ms. Jones:

The Centers for Medicare & Medicaid Services (CMS) has reviewed Virginia's State Plan Amendment (SPA) 11-019, Supplemental Payments for Qualifying Private Hospitals. This SPA proposes to provide quarterly supplemental payments to qualifying private hospitals for outpatient services rendered during the quarter. These payments will be effective for dates of service on or after October 25, 2011.

This SPA is acceptable. Therefore, we are approving SPA 11-019 with an effective date of October 25, 2011. Enclosed is the approved SPA page and signed CMS-179 form.

If you have further questions about this SPA, please contact Margaret Kosherzenko of my staff at 215-861-4288.

Sincerely,

/S/

Francis McCullough  
Associate Regional Administrator

Enclosures

Attachment D

Call 5/22/15

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

**FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER  
1 1 - 0 1 9

2. STATE  
Virginia

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

TO: REGIONAL ADMINISTRATOR  
CENTERS FOR MEDICARE & MEDICAID SERVICES  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE  
October 25, 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 433, Subpart B

7. FEDERAL BUDGET IMPACT

a. FFY 2011 \$ 200,000 - 0 -  
b. FFY 2012 \$ 200,000 11,300,000.00

Call 5/22/15

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Attach. 4.19-B, Page 4.1c of 15

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)

New page

10. SUBJECT OF AMENDMENT

~~Supplemental Payments for Private Low Income and Needy Collaborative Hospitals.~~

Supplemental Payments for Qualifying Private Hospitals 8 MW 3/11/16

11. GOVERNOR'S REVIEW (Check One)

- GOVERNOR'S OFFICE REPORTED NO COMMENT<sup>2011</sup>     OTHER, AS SPECIFIED  
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED  
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

Secretary of Health and Human Resources

12. SIGNATURE OF STATE AGENCY OFFICIAL

[Redacted Signature] /S/

16. RETURN TO

Dept. of Medical Assistance Services  
600 East Broad Street, #1300  
Richmond VA 23219

13. TYPED NAME

Cynthia B. Jones

14. TITLE

Director

15. DATE SUBMITTED

10-4-11

Attn: Regulatory Coordinator

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED

December 20, 2011

18. DATE APPROVED

March 21, 2016

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL

October 25, 2011

20. SIGNATURE OF REGIONAL OFFICIAL

/S/

21. TYPED NAME

Francis McCullough

22. TITLE

Associate Regional Administrator

23. REMARKS

**STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT**

State of VIRGINIA

**METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATE-  
OTHER TYPES OF CARE**

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4. Supplemental Payments for Qualifying Private Hospitals.

Effective for dates of service on or after October 25, 2011, quarterly supplemental payments will be issued to qualifying private hospitals for outpatient services rendered during the quarter. Maximum aggregate payments to all qualifying hospitals in this group shall not exceed the available upper payment limit per state fiscal year.

- a. Qualifying criteria. As of the effective date of the State Plan Amendment implementing this Section (Transmittal Number 11-19), all private hospitals in Virginia qualify for payments under this Section that are part of a multi-hospital system, defined as a hospital system with at least three (3) or more hospitals in the system that also has:
  1. Medicaid admissions equal to or greater than 15% of total hospital admissions based on Virginia Health Information's hospital detail report, or greater than 50,000 Medicaid inpatient days based on the Virginia HOSBAS data file;
  2. At least two (2) hospitals located in either a rural or mixed rural county or independent city, as defined by the 2013 Virginia State Rural Health Plan Rural and Urban Geographical Classification Summary;
  3. No hospitals eligible to receive a Level I or Level II trauma center distribution from the Virginia Office of Emergency Medical Services Trauma Fund; and
  4. At least one hospital accredited through the Commission on Cancer (CoC) Accreditation Program by the American College of Surgeons.
- b. Reimbursement methodology. Each qualifying hospital shall receive quarterly supplemental payments for the outpatient services rendered during the quarter. The annual supplemental payments in any fiscal year will be equal to:
  - (i) seventeen percent (17%) of the difference between each qualifying hospital's outpatient Medicaid billed charges and Medicaid payments the hospital receives for services processed for fee-for-service Medicaid recipients during the fiscal year; or
  - (ii) if a qualifying disproportionate share hospital, the lesser of seventeen percent (17%) of the difference between each qualifying hospital's outpatient Medicaid billed charges and Medicaid payments the hospital receives for services processed for fee-for-service Medicaid recipients during the fiscal year; or each qualifying hospital's Medicaid disproportionate share hospital-specific limit as calculated using the current fiscal year's estimate of the 1923(g) limit.
- c. Limit. Maximum aggregate payments to all qualifying hospitals shall not exceed the available upper payment limit per state fiscal year.
- d. No payment under this section is dependent on any agreement or arrangement for providers or related entities to donate money or services to a governmental entity.