

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

SWIFT# 051820124023

JUN 01 2012

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

Dear Ms. Jones:

We have reviewed State Plan Amendment (SPA) 11-08, in which the State establishes supplemental payments for services provided by physicians at Virginia freestanding children's hospitals with greater than 50 percent Medicaid inpatient utilization in state fiscal year 2009 for furnished services provided on or after July 1, 2011. The SPA also eliminates the 4 percent reduction for all procedures set through the resource-based relative value scale (RBRVS) process effective for dates of service on or after July 1, 2011. Additionally, the SPA adds information for calculating the physician supplemental payment amounts using the Medicare equivalent of the average commercial rate (ACR) methodology prescribed by CMS.

This SPA is acceptable. Therefore, we are approving SPA 11-08 with an effective date of July 1, 2011. Enclosed are the approved SPA pages and signed CMS-179 form.

If you have further questions about this SPA, please contact Margaret Kosherzenko at (215) 861-4288.

Sincerely,

A black rectangular redaction box covering the signature of Francis McCullough.

Francis McCullough
Associate Regional Administrator

Enclosures