

## **Table of Contents**

**State Name:** Virginia

**State Plan Amendment (SPA)#:** 11-018

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form (with 179-like data)
- 3) One (1) SPA Page



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**Financial Management Group**

**MAR 15 2016**

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

RE: State Plan Amendment 11-018

Dear Ms. Jones:

We have completed our review of State Plan Amendment (SPA) 11-018. This SPA modifies Attachment 4.19A of Virginia's Title XIX State Plan. Specifically, the SPA authorizes supplemental payments to qualifying private hospitals that are part of a multi-hospital system.

VA 11-018 proposes inter-governmental transfers (IGT) as the non-Federal share (NFS) of reimbursement. In any instance that the IGTs are an insufficient source of NFS for payments under VA 11-018, direct appropriation to the Medicaid agency (via general revenue, special revenue, or some other appropriated fund) or a permissible provider tax would be acceptable sources of NFS. CMS would view a transfer of funds between agencies by the DMAS Secretary under Virginia Law as an acceptable appropriation. For VA 11-018, a certified public expenditure is not a permissible source of NFS.

CMS will review the supporting documentation for payments under these methodologies on an annual basis at a minimum.

We conducted our review of this SPA according to the statutory requirements at sections 1902(a)(3), 1902(a)(13), 1902(a)(30), 1903(a), and 1923 of the Social Security Act (the Act) and the regulations at 42 CFR 447 Subpart C. We are approving state plan amendment 11-018 effective October 25, 2011. We are enclosing the HCFA-179 and the amended plan pages.

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

Sincerely,

**/S/**

Kristin Fan  
Director

Enclosures

**TRANSMITTAL AND NOTICE OF APPROVAL OF  
STATE PLAN MATERIAL  
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER  
1 1 - 1 8

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 \$ 16,800.00  
b. FFY 2012 \$ 16,800.00

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT  
Attach. 4.19-A, Page 17.3 of 23

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 Patient Collaboration Hospitals

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  
/S/  
13. TYPED NAME  
Cynthia B. Jones  
14. TITLE  
Director  
15. DATE SUBMITTED  
12.20.11

16. RETURN TO  
Dept. of Medical Assistance Services  
600 East Broad Street, #1300  
Richmond VA 23219  
Attn: Regulatory Coordinator

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED    18. DATE APPROVED  
MAR 15 2016

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL  
OCT 25 2011

20. SIGNATURE OF REGIONAL OFFICIAL  
/S/

21. TYPED NAME  
Kristen Fan

22. TITLE  
Director, FMG

23. REMARKS

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

State of VIRGINIA

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES-INPATIENT SERVICES

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12 VAC 30-70-427. 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 inpatient services rendered during the quarter.

- A. **Qualifying Criteria.** As of the effective date of the State Plan Amendment implementing this Section (Transmittal Number 11-018), 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 inpatient services rendered during the quarter. The annual supplemental payments in any fiscal year will be equal to:
- (i) thirty eight percent (38%) of the difference between each qualifying hospital's inpatient 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 thirty eight percent (38%) of the difference between each qualifying hospital's inpatient 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.

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TN No. 11-018

Approval Date **MAR 15 2016**

Effective Date 10/25/2011

Supersedes

TN No. NEW PAGE

HCFA ID: \_\_\_\_\_