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State Name: Virginia

State Plan Amendment (SPA) #: 14-014

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 AND HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-26-12
Baltimore, MD 21244-1850



Financial Management Group

DEC 05 2014

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

RE: State Plan Amendment 14-014

Dear Ms. Jones:

We have completed our review of State Plan Amendment (SPA) 14-014. This SPA modifies Attachment 4.19-D of Virginia's Title XIX State Plan. Specifically, SPA 14-014 modifies reimbursement to establish supplemental payments to non-state government-owned 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 Medicaid State plan amendment 14-014 with an effective date of July 1, 2014. Enclosed are 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/

Timothy Hill
Director

Enclosures

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL TO: CENTERS FOR MEDICARE & MEDICAID SERVICES	1. TRANSMITTAL NUMBER 1 4 - 1 4	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 July 1, 2014	

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 447	7. FEDERAL BUDGET IMPACT a. FFY 2015 \$ 6,800,000 b. FFY \$
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT Attachment 4.19-D, p. 5 of 5.	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) Same page

10. SUBJECT OF AMENDMENT
Supplemental Payments to Non-State Government-Owned Nursing Facilities

11. GOVERNOR'S REVIEW (Check One)

GOVERNOR'S OFFICE REPORTED NO COMMENT 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 8/26/2014	16. RETURN TO Dept. of Medical Assistance Services 600 East Broad Street, #1300 Richmond VA 23219 Attn: Regulatory Coordinator
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FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED 09/24/2014	18. DATE APPROVED DEC 05 2014
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PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL JUL 01 2014	20. SIGNATURE OF REGIONAL OFFICIAL /S/
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21. TYPED NAME Kristin Egan	22. TITLE Deputy Director, FMC
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23. REMARKS

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State of VIRGINIA

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES FOR LONG-TERM CARE

12VAC30-90-19. Supplemental payments for non-state government-owned nursing facilities.

A. In addition to payments made elsewhere, effective July 1, 2005, DMAS shall draw down federal funds to cover unreimbursed Medicaid costs for inpatient services provided by non-state government-owned nursing facilities as certified by the provider through cost reports. A local government nursing facility is defined as a provider owned or operated by a county, city, or other local government agency, instrumentality, authority or commission.

B. Effective July 1, 2014, DMAS shall make additional supplemental payments to non-state government-owned nursing facilities that meet the requirements in subsection A. Quarterly supplemental payment for each facility shall be calculated in the following manner:

1. Annually calculate for each nursing facility what Medicare would have paid for Medicaid services in the base year, which is the most recently available state fiscal year, using the Medicare skilled nursing facility prospective payment system updated for market basket adjustments and other rate changes to the rate year, which is the upcoming state fiscal year.
2. Annually calculate for each facility what Medicaid paid in the base year including any supplemental payments in resulting from subsection A updated for inflation and other rate changes to the rate year.
3. Calculate a per diem supplemental payment for each facility by subtracting Medicaid expenditures calculated in B(2) from what Medicare would have paid calculated in B(1) and dividing the result by the number of paid days for each facility in the base year.
4. At the end of each quarter of the rate year, calculate the number of paid days in the quarter for each facility and multiply it by the per diem supplemental payment for each facility.

C. Maximum aggregate payments to all qualifying nursing facilities shall not exceed the available upper payment in the current state fiscal year.

(Former methodology repealed July 1, 2005)

TN No. 14-014

Approval Date DEC 05 2014

Effective Date 07-01-14

Supersedes

TN No. 05-02