

## **Table of Contents**

**State Name:** Virginia

**State Plan Amendment (SPA)#:** 17-0002

This file contains the following documents in the order listed:

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



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**Financial Management Group**

**JUN 15 2017**

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

RE: State Plan Amendment 17-0002

Dear Ms. Jones:

We have completed our review of State Plan Amendment (SPA) 17-0002. This SPA modifies Attachments 4.19-A and 4.19B of Virginia's Title XIX State Plan. Specifically, the SPA continues supplemental payments to private hospitals where a Type One teaching hospital maintains a minority interest by adding two additional private facilities.

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 17-0002 effective February 11, 2017. 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 7 - 0 0 2

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  
February 11, 2017

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 2017 \$ 2,119,688  
b. FFY 2018 \$ 3,391,500

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Attachment 4.19-A, 17.4  
Attachment 4.19-B, 4.3

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)

Same pages

10. SUBJECT OF AMENDMENT

New Qualifying Hospitals

11. GOVERNOR'S REVIEW (Check One)

- GOVERNOR'S OFFICE REPORTED NO COMMENT<sup>2017</sup>  
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED  
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

OTHER, AS SPECIFIED

Secretary of Health and Human Resources

12. SIGNATURE OF STATE AGENCY OFFICIAL

/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

3/8/17

Attn: Regulatory Coordinator

**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED

18. DATE APPROVED

JUN 15 2017

**PLAN APPROVED - ONE COPY ATTACHED**

19. EFFECTIVE DATE OF APPROVED MATERIAL

FEB 11 2017

20. SIGNATURE OF REGIONAL OFFICIAL

/S/

21. TYPED NAME

Kristen FAN

22. TITLE

Director, FMO

23. REMARKS

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

State of Virginia

## METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES -- INPATIENT SERVICES

## 12 VAC 30-70-428. Supplemental Payments for Private Hospital Partners of Type One Hospitals.

Quarterly supplemental payments will be issued to qualifying private hospitals for inpatient services rendered during the quarter.

- A. Qualifying criteria. In order to qualify for the supplemental payment, the hospital must be currently enrolled as a Virginia Medicaid provider, and must be owned or operated by a private entity where a Type One hospital has a non-majority interest. Qualifying hospitals and their effective dates are listed below:

1. Culpeper Hospital, effective October 25, 2011
2. Prince William Hospital, effective February 11, 2017
3. Haymarket Hospital, effective February 11, 2017

- B. Reimbursement methodology. Each qualifying hospital shall receive quarterly supplemental payments for the inpatient services rendered during the quarter. Each quarterly payment distribution shall occur not more than 2 years after the year in which the qualifying hospital's entitlement arises. The annual supplemental payments in any fiscal year will be the lesser of:

1. 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
2. \$14,620 per Medicaid discharge at Culpeper Hospital for state plan rate year 2012, \$9,741 per Medicaid discharge for state plan rate year 2015 for Prince William Hospital and \$8,596 per Medicaid discharge for state plan rate year 2015 for Haymarket Hospital. For future state plan rate years, this number shall be adjusted by inflation based on the Virginia moving average values as compiled and published by Global Insight (or its successor), under contract with the department.
3. For hospitals participating in the Medicaid Disproportionate Share Hospital (DSH) program, the difference between the limit calculated under the Social Security Act §1923(g) and the hospital's DSH payments for the applicable payment period.

- C. Limit. Maximum aggregate payments to all qualifying hospitals shall not exceed the available upper payment limit per state fiscal year.

TN No. 17-002Approval Date JUN 15 2017Effective Date 02/11/17

Supersedes

TN No. 11-20

HCFA ID:

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

State of Virginia

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES –  
OTHER TYPES OF CARE

5. Supplemental Payments for Private Hospital Partners of Type One Hospitals. Quarterly supplemental payments shall 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 limit per state fiscal year.

- a. Qualifying criteria. In order to qualify for the supplemental payment, the hospital must be currently enrolled as a Virginia Medicaid provider, and must be owned or operated by a private entity where a Type One hospital has a non-majority interest. Qualifying hospitals and their effective dates are listed below:
  1. Culpeper Hospital, effective October 25, 2011;
  2. Prince William Hospital, effective February 11, 2017;
  3. Haymarket Hospital, effective February 11, 2017.
  
- b. Reimbursement methodology. Each qualifying hospital shall receive quarterly supplemental payments for the outpatient services rendered during the quarter. Each quarterly payment distribution shall occur not more than 2 years after the year in which the qualifying hospitals' entitlement arises. The annual supplemental payments in a fiscal year will be the lesser of:
  1. 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
  2. \$1,894 per Medicaid outpatient visit at Culpeper Hospital for state plan rate year 2012, \$1,908 per Medicaid outpatient visit for state plan rate year 2017 for Prince William Hospital, and \$1,844 per Medicaid outpatient visit for state plan rate year 2017 for Haymarket Hospital. For future state plan rate years, this number shall be adjusted by inflation based on the Virginia moving average values as compiled and published by Global Insight (or its successor), under contract with the department;
  3. For hospitals participating in the Medicaid Disproportionate Share Hospital (DSH) Program, the difference between the limit calculated under the Social Security Act §1923(g) and the hospital's DSH payments for the applicable payment period.
  
- c. Limit. Maximum aggregate payments to all qualifying hospitals in this group shall not exceed the available upper payment limit per state fiscal year.

TN No. 17-002Approval Date JUN 15 2017Effective Date 02/11/17

Supersedes:

TN No. 11-21

HCFA ID: