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State Name: Virginia

State Plan Amendment (SPA) #: 17-007-B

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

SWIFT #081520174021

August 31, 2017

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) 17-007-B, Average Commercial Rate Calculation for Physicians Affiliated with Type One Hospitals. The purpose of SPA 17-007-B is to revise the amount of supplemental payments for Type One physician services. Effective May 1, 2017, the supplemental payment amount for Type One physician services shall be the difference between the Medicaid payments otherwise made for physician services and 258% of Medicare rates.

This SPA is acceptable. Therefore, we are approving SPA 17-007-B with an effective date of May 1, 2017. 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

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES		1. TRANSMITTAL NUMBER 1 7 0 0 7-8	2. STATE Virginia
TO: REGIONAL ADMINISTRATOR CENTERS FOR MEDICARE & MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES		3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
5. TYPE OF PLAN MATERIAL (Check One) <input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" type="checkbox"/> AMENDMENT		4. PROPOSED EFFECTIVE DATE April 1, 2017 May 1, 2017	
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 \$ 4,868,563 \$ 3,656,068 b. FFY 2018 \$ 8,774,629		
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT Attachment 4.19-B, Revised Page 6.3	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) Same page		
10. SUBJECT OF AMENDMENT Average Commercial Rate Calculation for Physicians Affiliated with Type One Hospitals			
GOVERNOR'S REVIEW (Check One) <input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT ²⁰¹⁷ <input checked="" type="checkbox"/> OTHER, AS SPECIFIED <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL Secretary of Health and Human Resources			
12. SIGNATURE OF STATE AGENCY OFFICIAL /S/ [Redacted]	16. RETURN TO Dept. of Medical Assistance Services 600 East Broad Street, #1300 Richmond VA 23219 Attn: Regulatory Coordinator		
13. TYPED NAME Cynthia B. Jones			
14. TITLE Director			
15. DATE SUBMITTED 6/20/17			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED June 22, 2017	18. DATE APPROVED August 31, 2017		
PLAN APPROVED - ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL May 1, 2017	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**

17. Supplemental payments for services provided by Type One physicians.
- a. In addition to payments for physician services specified elsewhere in this State Plan, DMAS provides supplemental payments to Type One physicians for furnished services provided on or after July 2, 2002. A Type One physician is a member of a practice group organized by or under the control of a state academic health system or an academic health system that operates under a state authority and includes a hospital, which has entered into contractual agreements for the assignment of payments in accordance with 42 CFR 447.10.
 - b. The methodology for determining the Medicare Equivalent of the Average commercial Rate is described in Supplement 6 to Attachment 4.19-B.
 - c. Supplemental payments shall be made quarterly, no later than 90 days after the end of the quarter.
 - d. Effective April 1, 2017, the supplemental payment amount for Type I physician services shall be the difference between the Medicaid payments otherwise made for physician services and 256% of Medicare rates. Effective May 1, 2017, the supplemental payment amount for Type I physician services shall be the difference between the Medicaid payments otherwise made for physician services and 258% of Medicare rates.

TN No. 17-007-B
Supersedes

Approval Date August 31, 2017

Effective Date 5/1/2017

TN No. 17-007-A