

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**

1. TRANSMITTAL NUMBER:
11-003

2. STATE
WYOMING

FOR: HEALTH CARE FINANCING ADMINISTRATION

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE
SOCIAL SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE
October 1, 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 460 : Section 1905(a)(26) of the Social Security Act

7. FEDERAL BUDGET IMPACT:
a. FFY 2013 \$27,000 (cost savings)
b. FFY \$

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 2.2A, page 11
Section 3, Page 19 C
Section 3, Page 20 C
Attachment 3.1A., Page 11
Attachment 2.1 B, Page 10
Supplement 3 to Attachment 3.1A and Rate Methodology Attachment 1

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION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

Attachment 2.2A, page 11
NEW
NEW
NEW
NEW
NEW

10. SUBJECT OF AMENDMENT:

Add Program of All-Inclusive Care for the Elderly (PACE) as a State Plan service

11. GOVERNOR'S REVIEW (*Check One*):

GOVERNOR'S OFFICE REPORTED NO COMMENT
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

OTHER, AS SPECIFIED:

12. SIGNATURE OF STATE AGENCY OFFICIAL:

16. RETURN TO:
TERI GREEN
STATE MEDICAID AGENT
DIVISION OF HEALTH CARE FINANCING
6101 YELLOWSTONE ROAD, SUITE 210
CHEYENNE, WY 82002

13. TYPED NAME: TERI GREEN

14. TITLE: STATE MEDICAID AGENT

15. DATE SUBMITTED:
06/24/2011

CC: TAMMY ARNOLD, MANAGEMENT ASSISTANT
(SAME ADDRESS)

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED: 6/24/11

18. DATE APPROVED: 9/6/11

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:
10/1/11

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME: PATRICK C. HORTON

Acting ARA, DMCHO

23. REMARKS:

Agency*	Citation(s)	Group Covered
42 CFR 435.217	<input checked="" type="checkbox"/>	4. A group or groups of individuals who would be eligible for Medicaid under the plan if they were in a NF or an ICF/MR, who but for the provision of home and community-based services under a waiver granted under 42 CFR Part 441, Subpart G would require institutionalization, and who will receive home and community-based services under the waiver. The group or groups covered are listed in the waiver request. This option is effective on the effective date of the State's section 1915(c) waiver under which this group(s) is covered. In the event an existing 1915(c) waiver is amended to cover this group(s), this option is effective on the effective date of the amendment.
	<input checked="" type="checkbox"/>	PACE Enrollees

*Agency that determines eligibility for coverage.

Amount, Duration and Scope of Medical and Remedial Care Services Provided To the Categorically Needy

27. Program of All-Inclusive Care for the Elderly (PACE) services, as described in Supplement 3 to Attachment 3.1-A.

Election of PACE: By virtue of this submittal, the State elects PACE as an optional State Plan service.

No election of PACE: By virtue of this submittal, the State elects to not add PACE as an optional State Plan service.

Amount, Duration and Scope of Medical and Remedial Care Services Provided To the Medically
Needy

27. Program of All-Inclusive Care for the Elderly (PACE) services, as described in
Supplement 3 to Attachment 3.1-A.

_____ Election of PACE: By virtue of this submittal, the State elects PACE as an
optional State Plan service.

_____ No election of PACE: By virtue of this submittal, the State elects to not add
PACE as an optional State Plan service.

Citation 3.1(a)(1) Amount, Duration, and Scope of Services: Categorically Needy
(Continued)

1905(a)(26) and 1934

X Program of All-Inclusive Care for the Elderly (PACE) services, as described and limited in Supplement 3 to Attachment 3.1-A.

ATTACHMENT 3.1-A identifies the medical and remedial services provided to the categorically needy. (Note: Other programs to be offered to Categorically Needy beneficiaries would specify all limitations on the amount, duration, and scope of those services. As PACE provides services to the frail elderly population without such limitation, this is not applicable for this program. In addition, other programs to be offered to Categorically Needy beneficiaries would also list the additional coverage -that is in excess of established service limits- for pregnancy-related services for conditions that may complicate the pregnancy. As PACE is for the frail elderly population, this also is not applicable for this program.

Citation 3.1(a)(2) Amount, Duration, and Scope of Services: Medically Needy (Continued)
1905(a)(26) and 1934

_____ Program of All-Inclusive Care for the Elderly (PACE) services, as described and limited in Supplement 3 to Attachment 3.1-A.

ATTACHMENT 3.1-B identifies services provided to each covered group of the medically needy. (Note: Other programs to be offered to Medically Needy beneficiaries would specify all limitations on the amount, duration, and scope of those services. As PACE provides services to the frail elderly population without such limitation, this is not applicable for this program. In addition, other programs to be offered to Medically Needy beneficiaries would also list the additional coverage -that is in excess of established service limits- for pregnancy-related services for conditions that may complicate the pregnancy. As PACE is for the frail elderly population, this also is not applicable for this program.)

PACE State Plan Amendment**I. Eligibility**

The State determines eligibility for PACE enrollees under rules applying to community groups.

A. The State determines eligibility for PACE enrollees under rules applying to institutional groups as provided for in section 1902(a)(10)(A)(ii)(VI) of the Act (42 CFR 435.236 in regulations). The State intends to apply the spousal impoverishment eligibility rules for individuals that have a community spouse. The State has elected to cover under its State plan the eligibility groups specified under these provisions in the statute and regulations. The applicable groups are:

Individuals receiving services under this program are eligible under the following Eligibility groups:

- **A Special Income Level equal to 300% of the SSI Federal Benefit (FBR) (42 CFR 435.236)**

(If this option is selected, please identify, by statutory and/or regulatory reference, the institutional eligibility group or groups under which the State determines eligibility for PACE enrollees. Please note that these groups must be covered under the State's Medicaid plan.)

B. The State determines eligibility for PACE enrollees under rules applying to institutional groups, but chooses not to apply post-eligibility treatment of income rules to those individuals. (If this option is selected, skip to II - Compliance and State Monitoring of the PACE Program.

C. The State determines eligibility for PACE enrollees under rules applying to institutional groups, and applies post-eligibility treatment of income rules to those individuals as specified below. Note that the post-eligibility treatment of income rules specified below are the same as those that apply to the State's approved HCBS waiver(s).

Regular Post Eligibility

1. SSI State. The State is using the post-eligibility rules at 42 CFR 435.726. Payment for PACE services is reduced by the amount remaining after deducting the following amounts from the PACE enrollee's income.

(a). Sec. 435.726--States which do not use more restrictive eligibility requirements than SSI.

1. Allowances for the needs of the:

(A.) Individual (check one)

1. ___ The following standard included under the State plan (check one):

(a) ___ SSI

(b) ___ Medically Needy

(c) ___ The special income level for the institutionalized

(d) ___ Percent of the Federal Poverty Level: ___ %

(e) ___ Other (specify): _____

2. ___ The following dollar amount: \$ _____

Note: If this amount changes, this item will be revised.

3. ___ The following formula is used to determine the needs allowance:

Note: If the amount protected for PACE enrollees in item 1 is equal to, or greater than the maximum amount of income a PACE enrollee may have and be eligible under PACE, enter N/A in items 2 and 3.

(B.) Spouse only (check one):

1. ___ SSI Standard

2. ___ Optional State Supplement Standard

3. ___ Medically Needy Income Standard

4. ___ The following dollar amount: \$ _____

Note: If this amount changes, this item will be revised.

5. ___ The following percentage of the following standard that is not greater than the standards above: ___ % of _____ standard.

6. ___ The amount is determined using the following formula:

7. ___ Not applicable (N/A)

(C.) Family (check one):

1. ___ AFDC need standard

2. ___ Medically needy income standard

The amount specified below cannot exceed the higher of the need standard for a family of the same size used to determine eligibility under the State's approved AFDC plan or the medically needy income standard established under 435.811 for a family of the same size.

- 3. ___ The following dollar amount: \$_____

Note: If this amount changes, this item will be revised.
- 4. ___ The following percentage of the following standard that is not greater than the standards above: _____% of _____ standard.
- 5. ___ The amount is determined using the following formula:

- 6. ___ Other
- 7. ___ Not applicable (N/A)

(2). Medical and remedial care expenses in 42 CFR 435.726.

Regular Post Eligibility

2. ___ 209(b) State, a State that is using more restrictive eligibility requirements than SSI. The State is using the post-eligibility rules at 42 CFR 435.735. Payment for PACE services is reduced by the amount remaining after deducting the following amounts from the PACE enrollee's income.

(a) **42 CFR 435.735**--States using more restrictive requirements than SSI.

- 1. Allowances for the needs of the:
 - (A.) Individual (check one)
 - 1. ___ The following standard included under the State plan (check one):
 - (a) ___ SSI
 - (b) ___ Medically Needy
 - (c) ___ The special income level for the institutionalized
 - (d) ___ Percent of the Federal Poverty Level: _____%
 - (e) ___ Other (specify): _____
 - 2. ___ The following dollar amount: \$_____

Note: If this amount changes, this item will be revised.
 - 3. ___ The following formula is used to determine the needs allowance:

Note: If the amount protected for PACE enrollees in item 1 is **equal to, or greater than** the maximum amount of income a PACE enrollee may have and be eligible under PACE, **enter N/A in items 2 and 3.**

(B.) Spouse only (check one):

1. The following standard under 42 CFR 435.121:

2. The Medically needy income standard

3. The following dollar amount: \$ _____
Note: If this amount changes, this item will be revised.
4. The following percentage of the following standard that is not greater than the standards above: _____ % of _____ standard.
5. The amount is determined using the following formula:

6. Not applicable (N/A)

(C.) Family (check one):

1. AFDC need standard
2. Medically needy income standard

The amount specified below cannot exceed the higher of the need standard for a family of the same size used to determine eligibility under the State's approved AFDC plan or the medically needy income standard established under 435.811 for a family of the same size.

3. The following dollar amount: \$ _____
Note: If this amount changes, this item will be revised.
4. The following percentage of the following standard that is not greater than the standards above: _____ % of _____ standard.
5. The amount is determined using the following formula:

6. Other
7. Not applicable (N/A)

(b) Medical and remedial care expenses specified in 42 CFR 435.735.

Spousal Post Eligibility

3. _____ State uses the post-eligibility rules of Section 1924 of the Act (spousal impoverishment protection) to determine the individual's contribution toward the cost of PACE services if it determines the individual's eligibility under section 1924 of the Act. There shall be deducted from the individual's monthly income a personal needs allowance (as specified below), and a community spouse's allowance, a family allowance, and an amount for incurred expenses for medical or remedial care, as specified in the State Medicaid plan.

(a.) Allowances for the needs of the:

1. Individual (check one)

(A). _____ The following standard included under the State plan (check one):

- 1. _____ SSI
- 2. _____ Medically Needy
- 3. _____ The special income level for the institutionalized
- 4. _____ Percent of the Federal Poverty Level: _____%
- 5. _____ Other (specify): _____

(B). _____ The following dollar amount: \$ _____
Note: If this amount changes, this item will be revised.

(C). _____ The following formula is used to determine the needs allowance:

If this amount is different than the amount used for the individual's maintenance allowance under 42 CFR 435.726 or 42 CFR 435.735, explain why you believe that this amount is reasonable to meet the individual's maintenance needs in the community:

II. Rates and Payments

A. The State assures HCFA that the capitated rates will be equal to or less than the cost to the agency of providing those same fee-for-service State plan approved services on a fee-for-service basis, to an equivalent non-enrolled population group based upon the following methodology. Please attach a description of the negotiated rate setting methodology and how the State will ensure that rates are less than the cost in fee-for-service.

1. Rates are set at a percent of fee-for-service costs
2. Experience-based (contractors/State's cost experience or encounter date)(please describe)
3. Adjusted Community Rate (please describe)
4. Other (please describe)

B. The State Medicaid Agency assures that the rates were set in a reasonable and predictable manner. Please list the name, organizational affiliation of any actuary used, and attestation/description for the initial capitation rates.

Wyoming was assisted by Navigant Consulting and Lewis and Ellis, an actuarial firm, in calculating rates for the proposed Program of All-Inclusive Care for the Elderly (PACE). See the attached description of how the initial capitation rates were calculated.

C. The State will submit all capitated rates to the HCFA Regional Office for prior approval.

III. Enrollment and Disenrollment

The State assures that there is a process in place to provide for dissemination of enrollment and disenrollment data between the State and the State Administering Agency. The State assures that it has developed and will implement procedures for the enrollment and disenrollment of participants in the State's management information system, including procedures for any adjustment to account for the difference between the estimated number of participants on which the prospective monthly payment was based and the actual number of participants in that month.

**PACE State Plan Amendment
Rate Methodology**

Wyoming's Equality Care Medicaid was assisted by Navigant Consulting and Lewis and Ellis, an actuarial firm, in calculating rates for the proposed Program of All-Inclusive Care for the Elderly (PACE).

The initial PACE rates have been set using a percent of fee-for-service expenditure methodology. The Wyoming legislation that authorizes the State to establish the optional Medicaid PACE service, specifies that the PACE capitation rate should be no less than 90 percent of the fee-for-service equivalent cost, including the department's cost of administration, that the department estimates would be payable for all services covered under the PACE organization contract if all of those services were to be provided on a fee-for-service basis.

The initial PACE rates are based on analysis of Wyoming's Medicaid eligibility data and paid claims for services rendered in state fiscal year (SFY) 2010.

Eligible Population

The population eligible for the proposed PACE in Wyoming is defined as individuals enrolled in Medicaid during SFY 2010 who meets the following criteria:

- Were age 55 as of 7/1/2009, the start of SFY 2010
- Were in the Aged, Blind and Disabled eligibility program groups and the following eligibility program sub-groups during SFY 2010:
 - Institution, Nursing Home (program codes: S01, S02, S10, S11, S32, S33, S54, S55)
 - Assisted Living Facility Home and Community Based (HCBS) Waiver (program codes: R01, R02, R03, R04)
 - Long Term Care HCBS Waiver (program codes: S24, S25, S46, S47)

At this time, Cheyenne Regional Medical Center is the only organization proposing to operate a PACE in Wyoming and the following Cheyenne area zip codes comprise its proposed PACE service area: Cheyenne – 82001, 82002 (Business), 82003 (PO Box), 82005, 82006, 82007, 82008, 82009, 82010; Pine Bluffs – 82082; Burns – 82053; Carpenter – 82053, 82054; Albin – 82050 and Hillsdale – 82060. Thus, the paid claims data used to calculate the PACE rates are for eligible Medicaid recipients who resided in this 15 zip code service area during SFY 2010.

Comparable Frail Population for Rate Setting Purposes

Wyoming Medicaid determines individuals' need for institutional level of care based on an assessment of medical necessity for long-term care, LT-101 Form. The LT-101 Form is used to determine eligibility for

Wyoming's Nursing Facility program and Assisted Living Facility (ALF) and Long Term Care (LTC) HCBS Waiver programs.¹

The portion of the overall PACE-eligible population that is comparable to the population that the PACE interdisciplinary model of care is designed to benefit – that is, those individuals who are frail – were identified as all PACE-eligible individuals in nursing homes and PACE-eligible individuals in the two HCBS waivers who have LT-101 scores of 17 and higher. Individuals in the ALF Waiver receive one of three levels of service categories based on their needs as determined by their LT-101 scores. Individuals in the highest of the three service category levels have LT-101 scores of 17 and higher. Wyoming Medicaid pays ALF waiver providers an all-inclusive per diem rate of \$50 for the highest service category level and so the \$50 per diem was used to identify the subset of ALF Waiver participants comparable to the PACE population in the claims data. Wyoming Medicaid staff did a manual lookup of LT-101 scores for all the PACE-eligible LTC Waiver participants in the claims data using their Medicaid recipient numbers to identify those with scores of 17 and higher.

The PACE-comparable population whose claims were used for rate setting purposes includes 253 nursing home and 89 HCBS Waiver recipients for a total of 342 recipients. As noted previously, these 342 recipients resided in the 15 service area zip codes.

Adjustment to PACE Rate Calculated on SFY 2010 Claims

To update the PACE rates from SFY 2010 to SFY 2013 when the Cheyenne Regional Medical Center PACE organization will begin serving patients, a trend factor was applied to adjust for increases in provider rates and/or increased utilization per person between SFY 2010 and 2013. The trend factor was based on the average annual per recipient expenditure increase for Wyoming Medicaid recipients in nursing homes and the ALF and LTC waivers (all ages) for the four year period SFY 2006 through SFY 2010.

Wyoming has decided not to include an allowance for administrative costs in the initial PACE rates.

¹ Individuals with LT-101 scores of 13 and higher are deemed eligible for nursing facility and HCBS waiver programs.