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State/Territory Name: Maryland

State Plan Amendment (SPA) #: 21-0009

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 Pages



Financial Management Group

October 20, 2021

Mr. Steven Schuh
Medicaid Director
Maryland Department of Health
201 W. Preston Street, 5th Floor
Baltimore, MD 21201

RE: State Plan Amendment 21-0009

Dear Mr. Schuh:

We have completed our review of State Plan Amendment (SPA) 21-0009. This SPA modifies Attachment 4.19-D of Maryland's Title XIX State Plan. Specifically, this SPA provides a 4% increase to nursing facility rates for the period July 1, 2021 through June 30, 2022.

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 state plan amendment 21-0009 effective July 1, 2021. We are enclosing the CMS-179 and the amended plan pages.

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

Sincerely,

A solid black rectangular box redacting the signature of the sender.

For
Rory Howe
Acting Director

Enclosures

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

1. TRANSMITTAL NUMBER
2 1 — 0009

2. STATE
MD

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, 2021

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
N/A 42 CFR 447 Subpart C

7. FEDERAL BUDGET IMPACT
a. FFY FFY 2021 \$ 6,357
b. FFY FFY 2022 \$ 19,071

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT
Att. 4.19D pg. 1 (21-0009)

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (*If Applicable*)
Att. 4.19D pg. 1 (21-0001)

10. SUBJECT OF AMENDMENT

Effective July 1, 2021, this proposal extends current Maryland Medicaid nursing facility reimbursement through SFY 2022 in accordance with the State Fiscal Year (SFY) 2022 budget

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

12. SIGNATURE OF STATE AGENCY OFFICIAL

16. RETURN TO

[Redacted Signature]

Steven Schuh
Medicaid Director
Maryland Department of Health
201 W. Preston St. 5th Floor
Baltimore, MD 21201

13. TYPED NAME
Tricia Roddy

14. TITLE
Deputy Medicaid Director

15. DATE SUBMITTED
8/31/2021

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED 9/1/2021

18. DATE APPROVED 10/20/2021

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL
July 1, 2021

20. SIGNATURE OF REGIONAL OFFICIAL
[Redacted Signature] For

21. TYPED NAME
Rory Howe

22. TITLE
Acting Director, Financial Management Group

23. REMARKS

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State of Maryland

Program/Service

4.19(d) Nursing facility payment rates, based on Code of Maryland Regulations (COMAR) 10.09.10, account for the cost of services required to attain or maintain the highest practicable physical, mental, and psychosocial well-being of each resident eligible for Medicaid benefits.

Payment rates for nursing facilities are based on a prospective reimbursement methodology.

Payment rates for nursing facilities are based on pricing and are the sum of per diem reimbursement calculations in four cost centers: administrative/routine, other patient care, capital, and nursing services (which include certain direct care costs such as therapies). Prospective payments are considered paid in full.

Additional allowable ancillary payments are listed and are paid prospectively and in full.

In accordance with the Omnibus Budget Reconciliation Act of 1987, nursing facility payment rates, effective October 1, 1990, take into account the costs of nursing facilities' compliance with the requirements of Sections 1919(b) (other than paragraph (3)(F)), 1919(c), and 1919(d) of the Social Security Act.

Aggregate payments for these facilities may not exceed Medicare upper payment limits as specified at 42 CFR 447.272.

A provider that renders care to Maryland Medicaid participants of less than 1,000 days of care during the provider's fiscal year may choose to not be subject to cost reporting requirements and to accept as payment the Medicaid statewide average payment for each day of care.

Nursing facilities that are owned and operated by the State are not paid in accordance with these provisions. These facilities are reimbursed reasonable costs based upon Medicare principles of reasonable cost as described at 42 CFR 413.

Unless otherwise defined, indexing noted under the Prospective Reimbursement Methodology refer to the latest Skilled Nursing Home without Capital Market Basket Index, two (2) months before the period for which rates are being calculated.

Effective January 1, 2021, provider payment rates shall be increased by four (4) percent from the methodology described herein.