

DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S3-14-28
Baltimore, Maryland 21244-1850



Financial Management Group

February 8, 2023

Ana Novais, Acting Secretary
Executive Office of Health and Human Services
State of Rhode Island
3 West Road, Virks Building
Cranston, RI 02920

RE: Rhode Island 22-0019

Dear Acting Secretary Novais:

We have reviewed the proposed amendment to Attachment 4.19-D of your Medicaid State plan submitted under transmittal number (TN) 22-0019. Effective January 1, 2023, this amendment proposes a behavioral health per-diem add-on rate for specified nursing facility residents.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30) and 1903(a) of the Social Security Act and the implementing Federal regulations at 42 CFR 447 Subpart C.

This is to inform you that Medicaid State plan amendment TN 22-0019 is approved effective January 1, 2023. The CMS-179 and the amended plan page(s) are attached.

As described in the state's letter to CMS dated April 29, 2022 regarding its Hospital Licensing Fee (HLF) and in CMS's response letter dated May 19, 2022, please note that CMS's approval of this State Plan Amendment (SPA) whose non-federal share source may include the HLF relates only to the requested change in payment methodology, not the source of non-federal share. Approval of this SPA does not relieve the state of its responsibility to comply with federal laws and regulations, and to ensure that claims for federal financial participation are consistent with all applicable requirements.

If you have any additional questions or need further assistance, please contact Novena James-Hailey at (617) 565-1291 or Novena.JamesHailey@cms.hhs.gov.

Sincerely,



Rory Howe
Director

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

1. TRANSMITTAL NUMBER

2 2 — 0 0 1 9

2. STATE

RI

3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT

XIX XXI

TO: CENTER DIRECTOR
CENTERS FOR MEDICAID & CHIP SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

January 01, 2023

5. FEDERAL STATUTE/REGULATION CITATION

42 CFR 447 Subpart C

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)

a. FFY 23 \$ 1,452,000
b. FFY 24 \$ 1,872,000

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Attachment 4.19-D, Page 11
Attachment 4.19-D, Page 11a

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

Attachment 4.19-D, Page 11 TN# 13-006
NEW

9. SUBJECT OF AMENDMENT

\$175 behavioral health Add-on for complex clients discharged to a nursing facility

10. 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:

11. SIGNATURE OF STATE AGENCY OFFICIAL

12. TYPED NAME
Ana Novais

13. TITLE
Acting Secretary

14. DATE SUBMITTED
November 18, 2022

15. RETURN TO

FOR CMS USE ONLY

16. DATE RECEIVED
November 18, 2022

17. DATE APPROVED
February 8, 2023

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL
January 1, 2023

19. SIGNATURE OF APPROVING OFFICIAL

20. TYPED NAME OF APPROVING OFFICIAL
Rory Howe

21. TITLE OF APPROVING OFFICIAL
Director, Financial Management Group

22. REMARKS

D. Rate Add-ons

Add-on for Discharges to Nursing Facilities of Complex Behavioral Health Patients

Nursing facilities can receive a behavioral health per-diem add-on of \$175 for particularly complex residents who have been hospitalized for six months or more; meet nursing facility level of care criteria; and, have been approved for specialized serviced through a Level II Preadmission Screening and Resident Review (PASRR).

The \$175 add-on rate is in addition to the RUG payment base rate and is not influenced by the annual inflationary adjustments detailed in Section B “Adjustments to Base Rate”

To receive the \$175 rate add-on, a Medicaid-certified and Rhode Island Department of Health licensed nursing facility may apply for the certification of an NFSPU that will remain a distinct and separate unit within its facility. The NFSPU must be dedicated exclusively to individuals who live with serious/serious and persistent mental illness (SMI and SPMI) and who (a) meet the NFSPU eligibility requirements; and (b) have been approved for admission to the NFSPU.

Facilities with an NFSPU must demonstrate that the overall treatment and mission of its psychiatric rehabilitation program addresses major domains of functioning and skill development including defined psychiatric rehabilitation principles detailing specific rehabilitation techniques and methods, and the type/level of staff utilized to provide each service to the residents and the evidence-based practices supporting such principles. Facilities must also provide a therapeutic environment for referred individuals that meets and addresses the clinical needs of NFSPU residents including an array of individual and group therapeutic activities, including:

- Daily therapeutic and skill-training groups
- Therapeutic recreation programming
- Community safety and life skills training
- Substance use and self-help groups
- Crisis intervention services

These items are included in the \$175 per diem rate and should not be considered specialized services mandated by a PASRR Level II screening. If the PASRR II screening recommends specialized services in addition to the NFSPU placement, the nursing facility is required to work with a licensed behavioral health provider to ensure the recommended specialized services are provided to the individual. The NFSPU itself is not a specialized service.

Facilities with an NFSPU are required to submit frequent reports to EOHHS detailing the status of NFSPUs EOHHS reserves the right to conduct on-site reviews and the review of any clinical records and documentation without prior notice to the nursing facility. Participating facilities must annually recertify with EOHHS to continue to operate a NFSPU.

Detailed facility requirements can be found in the NFSPU Certification Standards.

E. Periodic Rate Review

be developed with the nursing homes. However, nursing homes will still be required to submit cost reports annually. A similar review will be conducted every three years.

TN: 22-0019

Supersedes

TN: 13-006

Approved: February 8, 2023

Effective: January 1, 2023

Rates for Newly Constructed Facilities

Newly constructed facilities will be paid a rate determined in the manner described for all facilities under these Principles. The initial Fair Rental Value component shall be calculated using the methodology described on pages 15-18. The Tax component will use an occupancy rate equal to 98% of the statewide average.

Appeals Process

Any provider who is not in agreement with the reimbursement rate assigned for the applicable rate period, may within fifteen (15) days from the date of notification of rate assignment file a written request for a review conference to be conducted by the Medicaid Director, or other designee assigned by the Secretary of the Executive Office of Health and Human Services. This written request must identify the rate assignment issue(s). The Medicaid Director or designee shall schedule a review conference within fifteen (15) days of receipt of the request. As a result of the review conference, the Medicaid Director or designee may modify the rate of reimbursement. The Medicaid Director or designee shall provide the provider with a written decision within thirty (30) days from the date of the review conference.

Appeals beyond the Medicaid Director or the designee appointed by the Secretary of the Executive Office of Health and Human Services will be in accordance with the Administrative Procedures Act. The provider must file a written request for an Administrative Procedures Act hearing no later than fifteen (15) days of the decision noted in the paragraph above.

Appeal Requests For Prospective Rate Increments

The Executive Office of Health and Human Services may consider the granting of a prospective rate that reflects demonstrated cost increases in excess of the rate that has been established by the application of the percentage increase, that are the result of:

1. Demonstrated errors made during the rate determination process.
2. Significant increases in operating costs resulting from the implementation of new or additional programs, services, or staff specifically mandated by the Rhode Island Department of Health.
3. Significant increases in operating costs resulting from capital renovations, expansion, or replacement required for compliance with fire safety codes and/or certification requirements of the Rhode Island Department of Health.
4. Extraordinary circumstances including, but not limited to, acts of God, provided that such increases will be rescinded immediately upon cessation of the extraordinary circumstance.