

PUBLIC NOTICE

April 26, 2022

Pursuant to 42 C.F.R. Section 447.205, public notice is hereby given for the submission of a Medicaid State Plan Amendment (SPA) 22-0006 Long-Term Care. The Division of Medicaid, in the Office of the Governor, will submit this proposed SPA to the Centers for Medicare and Medicaid Services (CMS) effective May 1, 2022, contingent upon approval from CMS, our Transmittal #22-0006.

1. State Plan Amendment (SPA) 22-0006 is being submitted to allow the Division of Medicaid (DOM) to remove the rate freeze from all long-term care facility rates effective May 1, 2022.
2. The estimated annual aggregate expenditures for Federal Fiscal Year 2022 (FFY22) are \$7,293,230 in federal funds and \$2,020,051 in state funds. The estimated annual aggregate expenditures for FFY23 are \$30,847,118 in federal funds and \$8,771,580 in state funds.
3. The Division of Medicaid is submitting this proposed SPA to be in compliance with 42 C.F.R. § 447.201 which requires all policy and methods used in setting payment rates for services be included in the State Plan. The changes in this SPA are being made to be in compliance with Miss. Code § 43-13-117, as amended by MS House Bill 657 during the 2022 legislative session. Additional authority: Miss. Code § 43-13-121.
4. A copy of the proposed SPA will be available in each county health department office and in the Department of Human Services office in Issaquena County for review. A hard copy can be downloaded and printed from www.medicaid.ms.gov, or requested at 601-359-2081 or by emailing at DOMPolicy@medicaid.ms.gov.
5. Written comments will be received by the Division of Medicaid, Office of the Governor, Office of Policy, Walter Sillers Building, Suite 1000, 550 High Street, Jackson, Mississippi 39201, or DOMPolicy@medicaid.ms.gov for thirty (30) days from the date of publication of this notice. Comments will be available for public review at the above address and on the Division of Medicaid's website at www.medicaid.ms.gov.
6. A public hearing on this SPA will not be held.

REDUCED PHYSICAL FUNCTION CATEGORIES

<u>GROUP DESCRIPTION</u>	<u>ADL SCORE</u>	<u>CMI</u>	
		<u>REGULAR</u>	<u>ALZHEIMER'S</u>
		<u>UNIT</u>	<u>UNIT</u>
PE2 Reduced Physical Function with Restorative Nursing	15-16	1.250	1.600
PE1 Reduced Physical Function	15-16	1.170	1.498
PD2 Reduced Physical Function with Restorative Nursing	11-14	1.150	1.472
PD1 Reduced Physical Function	11-14	1.060	1.357
PC2 Reduced Physical Function with Restorative	6-10	0.910	1.165
PC1 Reduced Physical Function	6-10	0.850	1.088
PB2 Reduced Physical Function with Restorative	2-5	0.700	0.896
PB1 Reduced Physical Function	2-5	0.650	0.832
PA2 Reduced Physical Function with Restorative	0-1	0.490	0.627
PA1 Reduced Physical Function	0-1	0.450	0.576

INACTIVE CATEGORY

<u>GROUP DESCRIPTION</u>	<u>ADL SCORE</u>	<u>CMI</u>	
		<u>REGULAR</u>	<u>ALZHEIMER'S</u>
		<u>UNIT</u>	<u>UNIT</u>
BC1 Inactive Group*	Not Applicable	0.450	0.450

***RESIDENT ASSESSMENTS THAT CONTAIN ERRORS IN FIELDS WHICH PROHIBIT CLASSIFICATION WILL AUTOMATICALLY BE PLACED INTO THIS CATEGORY BY DEFAULT.**

3-4 Computation of Standard Per Diem Rate for Nursing Facilities

A standard per diem base rate will be established annually, unless this plan requires a rate being calculated at another time, for the period January 1 through December 31. A case mix adjustment will be made quarterly based on the MDS forms submitted by each facility in accordance with other provisions of this plan. Cost

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TN NO 21-0023

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x 80%) to equal a minimum of eighty percent (80%) occupancy. Reserved bed days will be counted as an occupied bed for this computation. Facilities having an occupancy rate of less than eighty percent (80%) should complete Form 14 when submitting their cost report.

3-7 State Owned NF's

NF's that are owned by the State of Mississippi will be included in the rate setting process described above in order to calculate a prospective rate for each facility. However, state owned facilities will be paid based on 100% of allowable costs, subject to the Medicare upper limit, A state owned NF may request that the per diem rate be adjusted during the year based on changes in their costs. After the state owned NF's file their cost report, the per diem rate for each cost report period will be adjusted to the actual allowable cost for that period, subject to the Medicare upper limit.

3-8 Adjustments to the Rate for Changes in Law or Regulation

Adjustments may be made to the rate as necessary to comply with changes in state or federal law or regulation.

3-9 Upper Payment Limit

Non-state government owned or operated NF's will be reimbursed in accordance with the applicable regulations regarding the Medicaid upper payment limit. For each facility, the amount that Medicare would have paid for the previous year will be calculated and compared to payments actually made by Medicaid during that same Lime period. The calculation will be made as follows: MDS data is run for a sample population of each facility to group patient days into one of the Medicare RUGS. An estimated amount that Medicare would have paid on average by facility is calculated by multiplying each adjusted RUG rate by the number of days for that RUG. The sum is then divided by the total days for the estimated average per diem by facility that Medicare would have paid, from this amount, the Medicaid average per diem for the time period is subtracted to determine the UPL balance as a per diem. The per diem is then multiplied by the Medicaid days for the period co calculate the available UPL balance amount for each facility. This calculation will then be used to make payment for the current year to nursing facilities eligible for such payments in accordance with applicable regulations regarding the Medicaid upper payment limit. 100 percent of the calculated UPL, will be paid to non-state government - owned or operated facilities, in accordance with applicable state and federal laws and regulations, including any provisions specified in appropriations by the Mississippi Legislature.

CHAPTER 4

RATE COMPUTATION - ICF/IID'S

4-1 Rate Computation - ICF/IID's - General Principles

It is the intent of the Division of Medicaid to reimburse Intermediate Care Facilities for Individuals with Intellectual Disabilities a rate that is adequate for an efficiently and economically operated facility. An efficiently and economically operated facility is defined as one with direct care costs, therapy costs, care related costs, and administrative and operating costs less than 110% of the median and an occupancy rate of 80% or more.

4-2 Computation of Rate for Intermediate Care Facilities for Individuals with Intellectual Disabilities

A per diem rate will be established annually for the period January 1 through December 31, unless this plan requires a rate being calculated at another time. Cost reports used to calculate the rate will be the cost report filed for the period ending in the second calendar year prior to the beginning of the next calendar rate year, unless this plan requires a short period cost report to be used to compute the facility rate. For example, the rates effective January 1, 2015 will be determined from cost reports filed for the cost report year ended in 2013 unless a short period cost report and rate calculation is required by other provisions of this plan. Costs used in the rate calculations may be adjusted by the amount of anticipated increase in costs or decrease in costs due to federal or state laws or regulations.

A description of the calculation of the rate is as follows:

A. Direct Care, Therapies, Care Related, and Administrative and Operating Rate Determination

1. Determine the per diem cost for direct care costs, therapies, care related costs, and administrative and operating costs for each facility during the cost report period. This is done by adding the total allowable costs for these cost centers and dividing the result by the total patient days.
2. Trend each facility's per diem cost as determined in 1, above, to the middle of the rate year using the ICF/IID and PRTF Trend Factor. This is done by multiplying the ICF/IID and PRTF Trend Factor in order to trend costs forward from the

administrative and operating costs, the per diem property payment, and the per diem return on equity payment.

E. State Owned ICF-IID's

ICF-IID's that are owned by the State of Mississippi will be included in the rate setting process described above in order to calculate a prospective rate for each facility. However, state owned facilities will be paid based on 100% of allowable costs, subject to the Medicare upper limit. A state owned ICF-IID may request that the per diem rate be adjusted during the year based on changes in their costs. After the state owned ICF-IID's file their cost report, the per diem rate for each cost report period will be adjusted to the actual allowable cost for that period.

F. Adjustments to the Rate for changes in Law or Regulation Adjustments may be made to the rate as necessary to comply with changes in state or federal law or regulation.

CHAPTER 5**RATE COMPUTATION - PSYCHIATRIC RESIDENTIAL TREATMENT FACILITIES**5-1 Rate Computation-Psychiatric Residential Treatment Facilities (PRTF's)
- General Principles

It is the intent of the Division of Medicaid to reimburse Psychiatric Residential Treatment Facilities (PRTF's) a rate that is adequate for an efficiently and economically operated facility. An efficiently and economically operated facility is defined as one with direct care costs, therapy costs, care related costs, and administrative and operating costs less than 110% of the median, and an occupancy rate of 80% or more.

5-2 Rate Computation for PRTF's

A per diem rate will be established annually, unless this plan requires a rate being calculated at another time, for the period January 1 through December 31, unless this plan requires a rate being calculated at another time. Cost reports used to calculate the rate will be the cost report filed for the period ending in the second calendar year prior to the beginning of the calendar rate year, unless this plan requires a short period cost report to be used to compute

D. Total Rate

The annual

rate is the sum of the per diem rate for direct care costs, therapies, care related costs and administrative and operating costs, the per diem property payment, and the per diem return on equity payment.

E. State Owned PRTF¹s

PRTF¹s that are owned by the State of Mississippi will be included in the rate setting process described above in order to calculate a prospective rate for each facility. However, state owned facilities will be paid based on 100% of allowable costs, subject to the Medicare upper limit. A state owned PRTF may request that the per diem rate be adjusted during the year based on changes in their costs. After the state owned PRTF's file their cost report, the per diem rate for each cost report period will be adjusted to the actual allowable cost for that period.

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~~Effective with rates in effect July 1, 2021, nursing facility rates are frozen and therefore, the following rate calculation methodology is not applicable.~~ A standard per diem base rate will be established annually, unless this plan requires a rate being calculated at another time, for the period January 1 through December 31. A case mix adjustment will be made quarterly based on the MDS forms submitted by each facility in accordance with other provisions of this plan.
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4-2 Computation of Rate for Intermediate Care Facilities for Individuals with Intellectual Disabilities

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administrative and operating costs, the per diem property payment, and the per diem return on equity payment.

E. State Owned ICF-IID's

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5-2 Rate Computation for PRTF's

~~Effective with rates in effect July 1, 2021, PRTF rates are frozen and therefore, the following rate calculation methodology is not applicable.~~
A per diem rate will be established annually, unless this plan requires a rate being calculated at another time, for the period January 1 through December 31, unless this plan requires a rate being calculated at another time. Cost reports used to calculate the rate will be the cost report filed for the period ending in the second calendar year prior to the beginning of the calendar rate year, unless this plan requires a short period cost report to be used to compute

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E. State Owned PRTF¹s

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