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State/Territory Name: Idaho

State Plan Amendment (SPA) #: 20-0002

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

DEPARTMENT OF HEALTH AND HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-26-12
Baltimore, MD 21244-1850



Financial Management Group

November 9, 2020

Matt Wimmer, Administrator
Idaho Department of Health and Welfare
Division of Medicaid
P.O. Box 83720
Boise, ID 83720-0009

Re: Idaho 20-0002

Dear Mr. Wimmer:

We have reviewed the proposed amendment to Attachment 4.19-D of your Medicaid State plan submitted under transmittal number (TN) 20-0002. Effective for services on or July 1, 2020, this amendment modifies the methodology in which nursing facilities (NFs) receive supplemental payment through their NF upper payment limit (UPL) supplemental payment program.

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. We are pleased to inform you that Medicaid State plan amendment TN 20-0002 is approved effective July 1, 2020. The CMS-179 and the amended plan pages are attached.

If you have any questions, please contact Christine Storey at Christine.storey@cms.hhs.gov or (303) 844-7044.

Sincerely,

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

For

Rory Howe
Acting Director

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL	1. TRANSMITTAL NUMBER: ID 20-0002	2. STATE IDAHO
	3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
FOR: HEALTH CARE FINANCING ADMINISTRATION	4. PROPOSED EFFECTIVE DATE 07-01-2020	
TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES		

5. TYPE OF PLAN MATERIAL (Check One):

NEW STATE PLAN AMENDMENT TO BE CONSIDERED AS NEW PLAN AMENDMENT

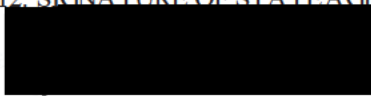
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION: 1905(a)(4), 1919(a) and 2110(a) of the Social Security Act	7. FEDERAL BUDGET IMPACT: FFY2021: \$0 FFY2022: \$0
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-D, pages 26 and 27	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Attachment 4.19-D, pages 26 and 27

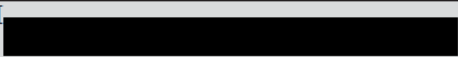
10. SUBJECT OF AMENDMENT: **Amendment to the State Plan to update the methodology in which nursing facilities receive supplemental payments through the Upper Payment Limit (UPL) supplemental payment program.**

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: Matt Wimmer, Administrator Idaho Department of Health and Welfare Division of Medicaid PO Box 83720 Boise ID 83720-0009
13. TYPED NAME: MATT WIMMER	
14. TITLE: Administrator	
15. DATE SUBMITTED: April 21, 2020	

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:	18. DATE APPROVED: 11/9/20
PLAN APPROVED – ONE COPY ATTACHED	
19. EFFECTIVE DATE OF APPROVED MATERIAL: 07/01/20	20. SIGNATURE:  For
21. TYPED NAME: Rory Howe	22. TITLE: Acting FMG Director

23. REMARKS:

449. SUPPLEMENTAL PAYMENTS

01. SUPPLEMENTAL PAYMENTS FOR STATE AND COUNTY-OWNED NURSING HOME FACILITIES.

Subject to the provisions of this section, eligible in-state providers of Medicaid nursing home facility services shall receive a supplemental payment each state fiscal year. Eligible providers are state and county owned nursing home facilities.

The supplemental payments are intended to be used to improve access to health care. The payments made to these facilities will be based on the aggregate difference in the actual amount paid by the Medicaid program and the amount that would have been paid under Medicare payment principles.

The supplemental payments shall not be subject to rules governing payments to nursing home facilities found in IDAPA 16.03.10. However, they shall not exceed the Medicaid upper payment limits for non-state governmental-owned or -operated nursing home facility payments. The Medicaid upper payment limit (UPL) analysis will be performed prior to making the supplemental payments.

The computation of the Medicaid UPL will utilize the latest complete State fiscal year average of daily reimbursement rates for each nursing facility, adjusted to a comparable Medicare level (through the addition of actual facility-specific payments for pharmaceutical, laboratory, X-ray, and add-on payments paid during the same State fiscal year as the rate averaging). The adjusted Medicaid rate is then subtracted from the average Medicare rate for the same time period, with the result then multiplied by the Medicaid days from the nursing facility's cost report (e.g. for State fiscal year 2011, the most recently audited cost report as of July 1, 2010, will be used to calculate the Medicaid days) to arrive at the facility's contribution to the group's aggregate UPL room (over/under the UPL).

Supplemental payments made to the state and county owned nursing facilities are governed by Idaho Code 56-1511 effective 07/1/11. The State will make annual supplemental payments (based on a yearly calculation) once every twelve (12) months, typically paid in the beginning of each State Fiscal year based on a calculation that utilizes the previous calendar year's Medicaid days from the nursing facilities cost report (e.g. for State fiscal year 2011, the most recently audited cost report as of July 1, 2010, will be used to calculate the Medicaid days). Supplemental payments made to state and county owned nursing homes that provide nursing facility services will be distributed to all nursing facilities within that group based on a previous calendar year's proportionate share of Medicaid days from the nursing facilities cost report compared to the total amount of Medicaid days provided by these state and county owned nursing homes. The State fiscal year 2011 supplemental payments will be distributed based on the most recently audited cost report as of July 1, 2010, Medicaid days. For each succeeding State fiscal year, the State will utilize the most recently audited cost report as of July 1st of the State fiscal year Medicaid days for each nursing facility.

Effective 07/01/20, supplemental payments will be associated with the quality of care provided by each provider using nationally recognized quality measures. Each provider will be assigned a tier, based on their individual total calculated quality score from the previous calendar year. The provider's score will also be compared to the prior year total calculated quality score. The change in the total score, along with the tier each provider falls within, will determine the percentage of the calculated available supplemental payment pool each provider will receive. Any undistributed funds will be combined and allocated to all providers in this ownership group, based on each provider's Medicaid patient days to total days in this ownership group. A program guide explaining the program and its quality measures can be found on the Department of Health and Welfare website at: <https://healthandwelfare.idaho.gov/Medical/Medicaid/MedicaidNursingFacilityInformation/NursingFacilityQualityPaymentProgram/tabid/4213/Default.aspx>

02. SUPPLEMENTAL PAYMENTS FOR PRIVATE NURSING HOME FACILITIES.

Subject to the provisions of this section, eligible in-state providers of Medicaid nursing home facility services shall receive a supplemental payment each state fiscal year. Eligible providers are private nursing home facilities.

The supplemental payments are intended to be used to improve access to health care. The payments made to these facilities will be based on the aggregate difference in the actual amount paid by the Medicaid program and the amount that would have been paid under Medicare payment principles.

The supplemental payments shall not be subject to rules governing payments to nursing home facilities found in IDAPA 16.03.10. However, they shall not exceed the Medicaid upper payment limits (UPL) for private nursing home facility payments. The Medicaid upper payment limit analysis will be performed prior to making the supplemental payments.

The computation of the Medicaid UPL will utilize the latest complete State fiscal year average of daily reimbursement rates for each nursing facility, adjusted to a comparable Medicare level (through the addition of actual facility-specific payments for pharmaceutical, laboratory, X-ray, and add-on payments paid during the same State fiscal year as the rate averaging). The adjusted Medicaid rate is then subtracted from the average Medicare rate for the same time period, with the result then multiplied by the Medicaid days from the nursing facility's cost report (e.g. for State fiscal year 2011, the most recently audited cost report as of July 1, 2010, will be used to calculate the Medicaid days) to arrive at the facility's contribution to the group's aggregate UPL room (over/under the UPL).

Supplemental payments made to the private nursing facilities are governed by Idaho Code 56-1511 effective 07/1/11. The State will make annual supplemental payments (based on a yearly calculation) once every twelve (12) months, typically paid in the beginning of each State Fiscal year based on a calculation that utilizes the previous calendar year's Medicaid days from the nursing facilities cost report (e.g. for State fiscal year 2011, the most recently audited cost report as of July 1, 2010, will be used to calculate the Medicaid days). Supplemental payments made to private nursing homes that provide nursing facility services will be distributed to all nursing facilities within that group based on a previous calendar year's proportionate share of Medicaid days from the nursing facilities cost report compared to the total amount of Medicaid days provided by these private nursing homes. The State fiscal year 2011 supplemental payments will be distributed based on the most recently audited cost report as of July 1, 2010 Medicaid days. For each succeeding State fiscal year, the State will utilize the most recently audited cost report as of July 1st of the State fiscal year Medicaid days for each nursing facility.

Effective 07/01/20, supplemental payments will be associated with the quality of care provided by each provider using nationally recognized quality measures. Each provider will be assigned a tier, based on their individual total calculated quality score from the previous calendar year. The provider's score will also be compared to the prior year total calculated quality score. The change in the total score, along with the tier each provider falls within, will determine the percentage of the calculated available supplemental payment pool each provider will receive. Any undistributed funds will be combined and allocated to all providers in this ownership group, based on each provider's Medicaid patient days to total days in this ownership group. A program guide explaining the program and its quality measures can be found on the Department of Health and Welfare website at:

<https://healthandwelfare.idaho.gov/Medical/Medicaid/MedicaidNursingFacilityInformation/NursingFacilityQualityPaymentProgram/tabid/4213/Default.aspx>