



DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services

Region 10  
2201 Sixth Avenue, MS/RX-43  
Seattle, Washington 98121

**DEC 21 2010**

Richard Armstrong, Director  
Department of Health and Welfare  
Towers Building – Tenth Floor  
Post Office Box 83720  
Boise, Idaho 83720-0036

RE: Idaho State Plan Amendment 10-018

Dear Mr. Armstrong:

The Centers for Medicare & Medicaid Services (CMS) National Institutional Reimbursement Team (NIRT) recently approved Idaho State Plan Amendment (SPA) 10-018.

Although the NIRT Team has already sent the State a copy of the approval for this SPA, the Seattle Regional office is following up with an additional copy for the reason that we were in receipt of the original, signed amendment request.

Therefore, enclosed you will find a copy of the official CMS form 179, amended page(s), and copy of the approval letter from the NIRT Team for your records.

If you have any questions or require assistance concerning the Seattle Regional office role in the processing of this state plan amendment, please contact me, or have your staff contact Jan Mertel at (206) 615-2317 or via email; [jan.mertel@cms.hhs.gov](mailto:jan.mertel@cms.hhs.gov).

Sincerely,

Barbara K. Richards  
Associate Regional Administrator  
Division of Medicaid and Children's Health  
Operations

Enclosure

Cc: Leslie Clement, Administrator, Idaho Department of Health and Welfare

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



**Center for Medicaid, CHIP, and Survey & Certification**

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Richard Armstrong, Director  
Department of Health & Welfare  
Towers Building – Tenth Floor  
PO Box 83720  
Boise, Idaho 83720-0036

DEC 17 2010

RE: Idaho SPA TN# 10-018

Dear Mr. Armstrong,

We have reviewed the proposed amendment to Attachment 4.19-D of your Medicaid State plan submitted under transmittal number (TN) 10-018. This amendment changes the frequency of supplemental payments to privately-owned, non-state governmental-owned, and State-owned nursing facilities from quarterly to annually.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30), 1903(a) and 1923 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 10-018 is approved effective as of November 19, 2010. For your files, we are enclosing the HCFA-179 transmittal form and the amended plan pages.

If you have any questions concerning this state plan amendment, please contact Tom Couch, CMS' Boise Outstation Office, at 334-9482 or [Thomas.Couch@cms.hhs.gov](mailto:Thomas.Couch@cms.hhs.gov).

Sincerely,

Cindy Mann  
Director  
Center for Medicaid, CHIP, and Survey & Certification

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

**FOR: HEALTH CARE FINANCING ADMINISTRATION**

1. TRANSMITTAL NUMBER:

**10-018**

2. STATE

**IDAHO**

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 19, 2010~~ November 19, 2010 (P&I)

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 447.201**

7. FEDERAL BUDGET IMPACT:  
**N/A** FFY 2011 - \$18,628,000 (P&I)  
FFY-2012 - \$18,628,000 (P&I)

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:

Idaho is requesting this amendment to our State Plan to freeze reimbursement rates to SFY 2010 level, no inflation adjustment, remove efficiency incentive payment, and clarify the special rate payment offset calculation.

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:

13. TYPED NAME:  
Leslie M. Clement

14. TITLE:  
Administrator

15. DATE SUBMITTED:

*11/23/10*

16. RETURN TO:

Leslie M. Clement, Administrator  
Idaho Department of Health and Welfare  
Division of Medicaid  
PO Box 83720  
Boise ID 83720-0036

**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED: **NOV 29 2010**

18. DATE APPROVED: **DEC 17 2010**

**PLAN APPROVED - ONE COPY ATTACHED**

19. EFFECTIVE DATE OF APPROVED MATERIAL:

**NOV 19 2010**

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME:

*Barbara K. Richards*

22. TITLE: Associate Regional Administrator  
Division of Medicaid &  
Children's Health

23. REMARKS:

12/3/10 - Pen and ink (P&I) changes authorized by the State.

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b>		1. TRANSMITTAL NUMBER: <b>10-018</b>	2. STATE <b>IDAHO</b>
<b>FOR: HEALTH CARE FINANCING ADMINISTRATION</b>		3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
<b>TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>		4. PROPOSED EFFECTIVE DATE <b>October 19, 2010</b> November 19, 2010 (P&I)	
5. TYPE OF PLAN MATERIAL (Check One):  <input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" type="checkbox"/> AMENDMENT COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)			
6. FEDERAL STATUTE/REGULATION CITATION: <b>42 CFR 447.201</b>		7. FEDERAL BUDGET IMPACT: <b>N/A</b> FFY 2011 - \$18,628,000 (P&I) FFY-2012 - \$18,628,000 (P&I)	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: <b>Attachment 4.19-D, pages 26 and 27.</b>		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): <b>Attachment 4.19-D, pages 26 and 27.</b>	
10. SUBJECT OF AMENDMENT: <b>Idaho is requesting this amendment to our State Plan to freeze reimbursement rates to SFY 2010 level, no inflation adjustment, remove efficiency incentive payment, and clarify the special rate payment offset calculation.</b>			
11. GOVERNOR'S REVIEW (Check One): <input checked="" type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input type="checkbox"/> OTHER, AS SPECIFIED: <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL			
12. SIGNATURE OF STATE AGENCY OFFICIAL: 		16. RETURN TO: <b>Leslie M. Clement, Administrator Idaho Department of Health and Welfare Division of Medicaid PO Box 83720 Boise ID 83720-0036</b>	
13. TYPED NAME: <b>Leslie M. Clement</b>			
14. TITLE: <b>Administrator</b>			
15. DATE SUBMITTED: <b>11/23/10</b>			
<b>FOR REGIONAL OFFICE USE ONLY</b>			
17. DATE RECEIVED: <b>NOV 23 2010</b>		18. DATE APPROVED: <b>12-17-10</b>	
<b>PLAN APPROVED - ONE COPY ATTACHED</b>			
19. EFFECTIVE DATE OF APPROVED MATERIAL: <b>NOV 19 2010</b>		20. SIGNATURE OF REGIONAL OFFICIAL: 	
21. TYPED NAME: <b>William Lasowski</b>		22. TITLE: <b>Deputy Director CMCS</b>	
23. REMARKS:			

12/3/10 - Pen and ink (P&I) changes authorized by the State.

449. SUPPLEMENTAL PAYMENTS

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

Subject to the provisions of this section, eligible 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 IDAPA 16.03.10.235 effective 10/1/10. The State will make annual supplemental payments (based on a yearly calculation) for 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 1<sup>st</sup> of the State fiscal year Medicaid days for each nursing facility.

02. SUPPLEMENTAL PAYMENTS FOR PRIVATE NURSING HOME FACILITIES.

Subject to the provisions of this section, eligible 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 IDAPA 16.03.10.235 effective 10/1/10. The State will make annual supplemental payments (based on a yearly calculation) for 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.