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State Name: District of Columbia

State Plan Amendment (SPA) #: 13-06

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form
- 3) Approved SPA Pages



JAN 24 2014

Linda Elam, PhD, MPH
Senior Deputy Director/Medicaid Director
Department of Health Care Finance
899 N. Capitol St. NE, 6th Floor
Washington, DC 20002

RE: State Plan Amendment (SPA) 13-06

Dear Ms. Elam:

We have reviewed the proposed amendment to Attachment 4.19-D of your Medicaid State plan submitted under transmittal number (TN) 13-06. This amendment modifies the District's Nursing Facility prospective payments system to re-instate the annual inflation adjustment applied to each facilities specific rate.

We conducted our review of this amendment according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), and 1902(a)(30) of the Social Security Act and the regulations at 42 CFR 447 Subpart C. We are approving DC 13-06 effective October 1, 2013. I have enclosed the approved HCFA-179 and the amended state plan pages.

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

Sincerely,
/ s /

Cindy Mann
Director

Enclosures

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES TO: Regional Administrator Centers for Medicare & Medicaid Services Department of Health and Human Services	1. TRANSMITTAL NUMBER: 13-06	2. STATE District of Columbia
	3. PROGRAM IDENTIFICATION: Title XIX of the Social Security Act	
4. PROPOSED EFFECTIVE DATE October 1, 2013		

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 C.F.R. 447 Subpart C	7. FEDERAL BUDGET IMPACT a. FFY 2014 \$ 3,209,229 b. FFY 2015 \$ 3,263,786
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT Attachment 4.19-D, Part I, pp 8-8b	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) Attachment 4.19-D, Part I, pp 8-8b


10. SUBJECT OF AMENDMENT:

Nursing Facilities Annual Inflation Adjustment

11. 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:
Resolution Number: B20-199

12. SIGNATURE OF STATE AGENCY OFFICIAL  /s/	16. RETURN TO Linda Elam, PhD, MPH Senior Deputy Director/Medicaid Director Department of Health Care Finance 899 N. Capitol St., NE, 6th Floor Washington, DC 20002
13. TYPED NAME Linda Elam, PhD, MPH	
14. TITLE State Medicaid Director, Department of Health Care Finance	
15. DATE SUBMITTED June 28, 2013	

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17. DATE RECEIVED	18. DATE APPROVED JAN 24 2014
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PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL OCT 01 2013	20. SIGNATURE OF REGIONAL OFFICIAL  /s/
21. TYPED NAME Penny Thompson	22. TITLE Deputy Director, Policy & Financial Mgt. PCS
23. REMARKS	

accordance with Section II.C. by total resident days determined in accordance with Section XIII.B. for all nursing care residents.

- B. The ceiling established in accordance with Section III.B. and C. for routine and support costs for each peer group shall be multiplied by a percentage that shall be published in rules governing Medicaid reimbursement to nursing facilities (Chapter 65 of Title 29 DCMR).
- C. Each nursing facility's routine and support cost per diem shall be the lower of the facility-specific per diem calculated in Section VII. A. or the adjusted ceiling relative to each nursing facility calculated in accordance with Section VII.B.
- D. Each nursing facility shall be entitled to an incentive add-on of 25 percent (25%) of the difference between the facility-specific per diem rate established in Section VII.A. and the adjusted ceiling calculated in accordance with Section VII.B., if the facility-specific per diem rate calculated in accordance with Section VII.A. is lower than the adjusted ceiling established in Section VII.B.

VIII. CAPITAL-RELATED COSTS PER DIEM CALCULATION

Each nursing facility's capital-related cost per diem shall be calculated by dividing total allowable capital-related base year costs adjusted in accordance with Section II.C. by total resident days determined in accordance with Section XIII.B. for all nursing care residents.

IX. FINAL PER DIEM RATE CALCULATION

- A. Each nursing facility's per diem rate effective January 1, 2006 shall be the sum of (i), (ii), and (iii) as set forth below:
 - (i) The nursing and resident care base year cost per diem
 - (a) Effective January 1, 2006 through September 30, 2007, the nursing and resident care base year cost per diem established pursuant to Section VI, adjusted for inflation to March 30, 2003 using the CMS Prospective Payment System Skilled Nursing Facility Input Price Index ("CMS Index").
 - (b) Effective October 1, 2007 through September 30, 2008, the nursing and resident care base year cost per diem calculated according to IX.A.(i)(a) adjusted for inflation using the CMS Prospective Payment System Skilled Nursing Facility Input Price Index ("CMS Index") for District Fiscal years 2006, 2007, and 2008.
 - (c) Effective October 1, 2008 through September 30, 2009, the nursing and resident care base year cost per diem calculated according to IX.A.(i)(b) adjusted for inflation using the CMS Prospective Payment System Skilled Nursing Facility Input Price Index ("CMS Index").

- (d) Effective October 1, 2009 through December 31, 2010, the nursing and resident care base year cost per diem calculated according to IX.A.(i)(c), adjusted for inflation using the CMS Index.
 - (e) Effective January 1, 2011 through September 30, 2013, the annual inflation adjustment shall be eliminated.
 - (f) Effective October 1, 2013, the nursing and resident care base year cost per diem calculated pursuant to IX.A. (i)(d), shall be annually adjusted for inflation using the CMS Index. This inflation adjustment shall not apply or be calculated for the period in which the inflation adjustment was eliminated in IX.A. (i)(e).
- (ii) The routine and support base year cost per diem
- (a) Effective January 1, 2006 through September 30, 2007, the routine and support base year cost per diem established pursuant to Section VII, adjusted for inflation to March 30, 2003 using the CMS Prospective Payment System Skilled Nursing Facility Input Price Index ("CMS Index").
 - (b) Effective October 1, 2007 through September 30, 2008, the routine and support base year cost per diem calculated according to IX.A.(ii)(a) adjusted for inflation using the CMS Prospective Payment System Skilled Nursing Facility Input Price Index ("CMS Index") for District Fiscal years 2006, 2007, and 2008.
 - (c) Effective October 1, 2008 through September 30, 2009, the routine and support base year cost per diem calculated according to IX.A.(ii)(b), adjusted for inflation using the CMS Index.
 - (d) Effective October 1, 2009 through December 31, 2010, the routine and support base year cost per diem calculated according to IX.A. (ii)(c), adjusted for inflation using the CMS Index.
 - (e) Effective January 1, 2011 through September 30, 2013, the annual inflation adjustment shall be eliminated.
 - (f) Effective October 1, 2013, the routine and support base year cost per diem calculated pursuant to IX.A. (ii)(d), shall be annually adjusted for inflation using the CMS Index. This inflation adjustment shall not apply or be calculated for the period in which the inflation adjustment was eliminated in IX.A. (ii)(e).

- (iii) The capital-related base year cost per diem
- (a) Effective January 1, 2006 through September 30, 2007, the capital-related base year cost per diem established pursuant to Section VIII, adjusted for inflation to March 30, 2003 using the CMS Prospective Payment System Skilled Nursing Facility Input Price Index ("CMS Index"). The inflation adjustment in this subparagraph shall not be applied to depreciation, amortization and interest on capital-related expenditures.
 - (b) Effective October 1, 2007 through September 30, 2008, the capital-related base year cost per diem calculated according to IX.A.(iii)(a) adjusted for inflation using the CMS Prospective Payment System Skilled Nursing Facility Input Price Index ("CMS Index") for District Fiscal Years 2006, 2007, and 2008. The inflation adjustment in this subparagraph shall not be applied to depreciation, amortization and interest on capital-related expenditures.
 - (c) Effective October 1, 2008, through September 30, 2009, the capital-related base year cost per diem calculated pursuant to IX.(iii)(b), adjusted for inflation using the CMS Index. The inflation adjustment in this subparagraph shall not be applied to depreciation, amortization and interest on capital related expenditures.
 - (d) Effective October 1, 2009 through December 31, 2010, the capital-related base year cost per diem calculated according to IX.A. (iii)(c) adjusted for inflation using the CMS Index. The inflation adjustment in this subparagraph shall not be applied to depreciation, amortization and interest on capital-related expenditures.
 - (e) Effective January 1, 2011 through September 30, 2013, the annual inflation adjustment is eliminated.
 - (f) Effective October 1, 2013, the capital-related base year cost per diem calculated pursuant to IX.A. (iii)(d), shall be annually adjusted for inflation using the CMS Index. This inflation adjustment shall not apply or be calculated for the period in which the inflation adjustment was eliminated in IX.A. (iii)(e). The inflation adjustment in this subsection shall not be applied to depreciation, amortization and interest on capital-related expenditures.
- B. Effective April 1, 2006 and every six months thereafter, the nursing and resident care costs per diem shall be re-calculated in accordance with section VI. The per diem rates established for routine and support costs and capital-related costs established pursuant to Section IX.A. shall be carried forward until costs are rebased.
- C. When necessary, each facility's per diem rate will be reduced by the same