

## **Table of Contents**

**State/Territory Name: District of Columbia**

**State Plan Amendment (SPA) #: 19-010**

This file contains the following documents in the order listed:

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

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



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**Financial Management Group/ Division of Reimbursement Review**

Melisa Byrd  
Medicaid Director  
Department of Health Care Finance  
441 4<sup>th</sup> Street, N.W., 9<sup>th</sup> floor, South  
Washington, D.C. 20001

RE: TN 19-010

Dear Director Byrd:

We have reviewed the proposed amendment to Attachment 4.19-B of your Medicaid State plan submitted under transmittal number (TN) 19-010. The proposed amendment will permit the District of Columbia Medicaid program to increase reimbursement rates for physical therapy, occupational therapy, and speech therapy services provided by home health agencies effective October 1, 2019.

Based upon the information provided by the District, we have approved the amendment for incorporation into the official DC State Plan with an effective date of October 1, 2019. A copy of the CMS-179 and the approved plan page(s) are enclosed with this letter.

If you have any questions, please call Gary Knight at 304-347-5723 or by email at [Gary.Knight@cms.hhs.gov](mailto:Gary.Knight@cms.hhs.gov).

Sincerely,

A solid black rectangular box used to redact the signature of the sender.

Todd McMillion  
Acting Director

Enclosures

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b>  <b>FOR: CENTERS FOR MEDICARE &amp; MEDICAID SERVICES</b>	1. TRANSMITTAL NUMBER: <b>19-010</b>	2. STATE: <b>District of Columbia</b>
	3. PROGRAM IDENTIFICATION: <b>Title XIX of the Social Security Act</b>	

TO: Regional Administrator Centers for Medicare & Medicaid Services Department of Health and Human Services	4. PROPOSED EFFECTIVE DATE: <b>October 1, 2019</b>
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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: <b>42 CFR § 440.70</b>	7. FEDERAL BUDGET IMPACT: <b>FFY20: \$0.00</b> <b>FFY21: \$0.00</b>
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8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: <b>Attachment 4.19B Part 1: page 4c</b> <b>Attachment 4.19B Part 1: Page 13a</b>	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): <b>Attachment 4.19B Part 1: page 4c</b> <b>Attachment 4.19B Part 1: Page 13a</b>
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10. SUBJECT OF AMENDMENT:  
**Home Health Reimbursement**

11. GOVERNOR'S REVIEW (Check One)

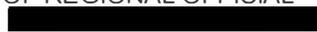
GOVERNOR'S OFFICE REPORTED NO COMMENT       OTHER, AS SPECIFIED:  
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED      **D.C. Act: 22-434**  
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL 	16. RETURN TO Melisa Byrd Senior Deputy Director/Medicaid Director Department of Health Care Finance 441 4 <sup>th</sup> Street, NW, 9 <sup>th</sup> Floor, South Washington, DC 20001
13. TYPED NAME <b>Melisa Byrd</b>	
14. TITLE <b>Senior Deputy Director/Medicaid Director</b>	
15. DATE SUBMITTED <b>12/30/19</b>	

**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED December 31, 2019	18. DATE APPROVED January 29, 2020
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**PLAN APPROVED – ONE COPY ATTACHED**

19. EFFECTIVE DATE OF APPROVED MATERIAL October 1, 2019	20. SIGNATURE OF REGIONAL OFFICIAL 
21. TYPED NAME Todd McMillion	22. TITLE Acting Director, Financial Management Group

**7b. Home Health Services**

Home Health services and provider qualifications are outlined per Attachment 3.1A, Supplement 1, page 9a-9r and Attachment 3.1B, Supplement 1, page 8a-8r. Reimbursement for Home Health Services shall be based on a prospective payment basis established by the State Medicaid Agency in accordance with the reimbursement methodologies outlined in this section and Section 21. For all services provided, the reimbursement will be the lesser of the amount described in Section 21 or derived from the methodology outlined in this section, or the amount charged by the provider.

Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers of Home Health Services. The agency's fee schedule rates for Home Health Services were set as of October 1, 2019 and are effective for services provided on or after that date. All rates are published on the agency's website at: <http://www.dc-medicaid.com>.

**Living Wage Adjustment**

Effective October 1, 2017 and annually thereafter, the reimbursement rates for Home Health Aides shall be adjusted annually with the Living Wage rate published by the District of Columbia, Department of Employment Services. This adjustment entails updating the reimbursement rates to reflect the published living wage amount, to ensure the rates are consistently aligned with current District of Columbia Living wage rates in effect during that fiscal year.

**Inflation Adjustment**

Effective October 1, 2017 and annually thereafter, the reimbursement rates for Skilled Nursing services shall be adjusted annually by the Medicare Economic Index factor for skilled nursing published by the Centers for Medicare and Medicaid Services.

**Administrative Add-ons**

All rate methodologies under this section shall include the following administrative expense add-ons in computing the rate amounts:

- 11% Employee Taxes – This is comprised of the Social Security (6.2%), Medicare (1.45%), Workers Compensation (2%) and Unemployment Benefits (1.18%)
- 8% Employee Benefits – Medical Insurance and Sick Leave Provision
- 18% - Provider Administrative overhead, based on the reviewed Fiscal Year (FY) 2013 cost reports filed by Home Health Agencies for Home Health services

- I. The DHCF fee schedule for dentist and orthodontist services, referenced at subparagraph iii.b. of paragraph 21. Fee-for-Service Providers, was set as of June 1, 2018 and is effective for services provided on or after that date.
- II. The DHCF fee schedule for transportation services, referenced at subparagraph iii.l. of paragraph 21. Fee-for-Service Providers, was set as of October 1, 2018 and is effective for services provided on or after that date.
- III. The DHCF fee schedule for home health services, referenced at subparagraph iii.h. of paragraph 21. Fee-for-Service Providers, was set as of October 1, 2019 and is effective for services provided on or after that date.