

## **Table of Contents**

**State Name: Delaware**

**State Plan Amendment (SPA) #12-009**

This file contains the following documents in the order listed:

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

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



**Center for Medicaid and CHIP Services (CMCS)**

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Rosanne Mahaney  
Director  
Department of Medicaid and Medical Assistance  
P.O. Box 906  
New Castle, DE 19720-0906

**SEP 13 2012**

RE: DE SPA 12-009

Dear Ms. Mahaney:

We have completed our review of State Plan Amendment (SPA) 12-009. This SPA modifies Attachments 4.19-D of Delaware's Title XIX State Plan. Specifically, SPA 12-009 increases state plan nursing facility rates, including the Medicaid portion of a provider assessment on nursing facility bed days.

We conducted our review of this SPA according to the statutory requirements at sections 1902(a)(3), 1902(a)(13), 1902(a)(30), and 1903(a) of the Social Security Act (the Act) and the regulations at 42 CFR 447 Subpart C. We are approving Medicaid State plan amendment 12-009 with an effective date of June 1, 2012. Enclosed are the HCFA-179 and the amended plan pages.

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

Sincerely,

Cindy Mann  
Director, CMCS

Enclosures

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

**FOR: HEALTH CARE FINANCING ADMINISTRATION**

1. TRANSMITTAL NUMBER:  
**SPA #12-009**

2. STATE  
**DELAWARE**

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  
**JUNE 1, 2012**

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:

**Social Security Act §1902(a)(13)(A)**  
**42 CFR §§433.55 through 433.74**  
**42 CFR §447.205**

7. FEDERAL BUDGET IMPACT:

a. **FFY 2012** **\$ 4,061,440** (FFY12: 3 months @54.17  
FMAP on 15-month base paid over 12 months)  
b. **FFY 2013** **\$ 15,961,013** (FFY13: 12 months @55.67  
FMAP: 9 months on the 15-month base and 3 months on the  
"routine" 12-month base)

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

**ATTACHMENT 4.19-D, PAGE 1**  
**ATTACHMENT 4.19-D, PAGES 1a, 1b**

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION  
OR ATTACHMENT (If Applicable):

**ATTACHMENT 4.19-D, PAGE 1**  
**NEW**

10. SUBJECT OF AMENDMENT: **IMPLEMENT NURSING FACILITY QUALITY ASSESSMENT (PROVIDER TAX)**

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:**  
**Governor's comments under separate**  
**correspondence**

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:

**Rosanne Mahaney, Director, Division of Medicaid and Medical Assistance**

14. TITLE: **Designee for Rita M. Landgraf, Secretary, Delaware Health and Social Services**

15. DATE SUBMITTED:

**June 19, 2012**

16. RETURN TO:

**Rosanne Mahaney**  
**Director**  
**Division of Medicaid and Medical Assistance**  
**P.O. Box 906**  
**New Castle, Delaware 19720-0906**

**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED:

18. DATE APPROVED:

**SEP 13 2012**

**PLAN APPROVED - ONE COPY ATTACHED**

19. EFFECTIVE DATE OF APPROVED MATERIAL:

**JUN - 1 2012**

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME:

**Julie Boughn**

**Dr. Adnor**



STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

STATE: DELAWARE

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES

PROSPECTIVE REIMBURSEMENT SYSTEM  
FOR LONG TERM CARE FACILITIES

Payment Methodology for Rate Periods Beginning January 1, 2009:

- A. Notwithstanding any other provision of this section, the following adjustments will apply to reimbursement rates for all long term care facilities, except for state owned and operated facilities.
- B. Effective for dates of service on or after April 1, 2009, per diem rates for long term care facilities will be adjusted to the rates that were in effect on December 31, 2008. However, if Delaware has in effect a nursing facility quality assessment fee applicable to assessment periods beginning on June 1, 2012 and thereafter, the per diem rates for long term care facilities computed for the period ending December 31, 2008 shall be increased by a Quality Assessment Rate Adjustment Amount as follows:

Except as excluded in section (c) below, each nursing facility's rates shall be increased for dates of service beginning on or after June 1, 2012 by a per day dollar amount equal to the sum of:

- (a) a per day dollar amount equal to the per day dollar amount of the Nursing Facility Quality Assessment Fee that will be owed for the upcoming rate year by each facility as specified in Delaware Code Title 30, Chapter 65 section 6502 (b) and (d), plus

- (b) a per day dollar amount computed as follows:

- Step 1. Obtain the total annual Medicaid patient days for all participating nursing facilities from the Delaware Medicaid nursing facility cost reports for the fiscal year ending June 30 of the previous year for each facility, excluding government-operated and pediatric nursing facilities. Sum the Medicaid patient days for each facility to compute the total aggregate statewide Medicaid patient days.
- Step 2. For each facility identified in Step #1, multiply the per day dollar amount of the Nursing Facility Quality Assessment Fee that will be owed per paragraph B. (a) above by each facility times the number of Medicaid patient days for each facility from Step #1. Sum the dollar amounts for all facilities to compute the aggregate statewide total annual assessment amount to be paid to the facilities.
- Step 3. Obtain the Total annual patient days and non-Medicare patient days for the fiscal year specified in Step 1 from each of the facilities that will be subjected to the quality assessment specified in paragraph (a) above for the upcoming State fiscal year for both Medicaid and non-Medicaid nursing facilities licensed to operate in Delaware.

TN No. SPA #12-009

Supersedes

TN No. SPA #09-002

Approval Date

SEP 13 2012

Effective Date

June 1, 2012

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

STATE: DELAWARE

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES

PROSPECTIVE REIMBURSEMENT SYSTEM  
FOR LONG TERM CARE FACILITIES

- Step 4. For each facility identified in Step #3, multiply the per day dollar amount of the nursing facility quality assessment fee that will be owed by each facility as specified in Delaware Code Title 30, Chapter 65 section 6502 (b) and (d) times the number of non-Medicare patient days for each facility from Step #3. Sum the dollar amounts for all facilities to compute the statewide total aggregate annual dollar amount of the assessment.
- Step 5. Multiply the aggregate assessment computed in Step #4 by 0.9.
- Step 6. Determine the total computable funding amount using the assessment amount from Step 5 as the state share at the applicable FMAP (and any other allowable Federal match) for the payment period.
- Step 7. Subtract the Medicaid portion of the assessment computed in Step #2 from the total computable payment amount computed in step #6.
- Step 8. Divide the dollar amount computed in step #7, by the statewide aggregate patient days from Step #1 to compute a per day dollar amount to be added to (a) above.
- (c) The following Long Term Care nursing facilities are excluded from the quality assessment rate adjustment amounts computed in (a) and (b) above:
- government-owned nursing facilities,
  - facilities that exclusively serve children,
  - facilities with no Medicaid patients,
  - facilities that are subject to penalties under Delaware Code Title 30, Chapter 65 section 6503 for dates of service in the months that penalties apply,
  - facilities not located within the State of Delaware,
  - all nursing facilities are excluded from this Quality Assessment Rate Adjustment Amount if the State of Delaware does not implement or if implemented, subsequently terminates, a nursing facility quality assessment fee
- C. Future rate adjustments will be suspended until further notice.

TN No. SPA #12-009  
Supersedes  
TN No. SPA #09-002

Approval Date SEP 13 2012  
Effective Date June 1, 2012

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

STATE: DELAWARE

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES

PROSPECTIVE REIMBURSEMENT SYSTEM  
FOR LONG TERM CARE FACILITIES

I. General Provisions

A. Purpose

This plan establishes a reimbursement system for long-term care facilities that complies with federal requirements, including but not limited to:

- Requirements of the Omnibus Reconciliation Act of 1981 that nursing facility provider reimbursements be reasonable and adequate to assure an efficient and economically operated facility.
- The requirement that Medicaid payments in the aggregate do not exceed what would have been paid by Medicare based on allowable cost principles.
- Limitations on the revaluation of assets subsequent to a change of ownership since July 18, 1984.
- Requirements of the Omnibus Reconciliation Act of 1987 to establish one level of nursing care, i.e., Nursing Facility Care, to eliminate the designation of Skilled and Intermediate Care, and to provide sufficient staff to meet these requirements.
- The requirement to employ only nurse aides who have successfully completed a training and competency evaluation program or a competency evaluation program.

B. Reimbursement Principles

1. Providers of nursing facility care shall be reimbursed prospectively determined per diem rates based on a patient based classification system. Providers of ICF-MR and ICF-IMD services shall be reimbursed prospectively determined per diem rates.

TN No. SPA #12-009

Supersedes

TN No. SPA #09-002

Approval Date SEP 13 2012

Effective Date June 1, 2012