

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

OCT 03 2011

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

RE: Idaho SPA TN# 11-006

Dear Mr. Armstrong,

The Centers for Medicare & Medicaid Services (CMS) National Institutional Reimbursement Team (NIRT) approved Idaho State plan amendment (SPA) on September 23, 2011. The State should have received via U.S. mail a signed copy of the approval letter with the CMS-179 transmittal form and the approved State plan pages.

Since the original signed amendment request was submitted to the Seattle Regional Office, we are following up with an additional copy of this material. Enclosed please find official copies of the CMS-179 transmittal form, the amended pages, and a copy of the approval letter from the NIRT for your records.

If you have any questions or require any 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 jan.mertel@cms.hhs.gov.

Sincerely,

Carol J.C. Peverly
Associate Regional Administrator
Division of Medicaid and Children's Health Operations

Enclosure

Cc: Leslie Clement, Deputy Director, Idaho Department of Health and Welfare

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Department of Health & Welfare
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PO Box 83720
Boise, Idaho 83720-0036

SEP 23 2011

RE: Idaho SPA TN# 11-006

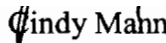
Dear Mr. Armstrong,

We have reviewed the proposed amendment to Attachment 4.19-D of your Medicaid State plan submitted under transmittal number (TN) 11-006. This amendment revises the prospective rate setting process for nursing facilities (NFs) and intermediate care facilities for the intellectually disabled (ICF/IDs) by utilizing cost reports with ending dates in CY 2010.

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 11-006 is approved effective as of July 26, 2011. 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.

Sincerely,


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

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

1. TRANSMITTAL NUMBER:

2. STATE
IDAHO

11-006

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE
SOCIAL SECURITY ACT (MEDICAID)

FOR: HEALTH CARE FINANCING ADMINISTRATION

TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE
~~July 1, 2011~~ July 26, 2011 (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:

Total (\$) Federal Funds

FFY 2011 (\$185,450)

FFY 2012 (\$516,375)

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19-D, page 1 and 28

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

Attachment 4.19-D, page 1 and 28

10. SUBJECT OF AMENDMENT:

We are requesting this amendment to our State Plan to update the cost report years being used for nursing facilities and Intermediate Care Facilities for the Intellectually Disabled.

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:

7/6/11

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: **July 7, 2011**

18. DATE APPROVED:

SEP 23 2011

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:
JUL 26 2011

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME:

Penny Thompson

22. TITLE:

Deputy Director, CMCS

23. REMARKS:

8.31.11 State authorized pen and ink change to box 4.

STATE PLAN FOR MEDICAID PROVIDER REIMBURSEMENT
Long Term Care Services

Nursing facility (NF) and intermediate care services for the mentally retarded (ICF/MR) are paid for Medicaid recipients by means of rates determined in accordance with the following principles, methods and standards which comply with 1902(a)(13)(A), 1902(a)(13)(B), 1902(a)(13)(C), 1913(b), and 1902(a)(30) of the Social Security Act and Federal Regulations at 42 CFR 447 Subpart C, 42 CFR 447.250 through .252, .253, .255, .256, .257, .272, and .280. Rate setting principles and methods for Nursing Facility care and ICF/MR care is contained in Idaho Statute 56-101 through 56-135 effective 7/1/2009.

NURSING FACILITY

I. Introduction

01. Rate setting principles and methods for Nursing Facility care is contained in Idaho Administrative Code 16.03.10.257-258 (effective 7/1/10) and 16.03.10.235-256 and 259.296 (effective 3/19/07).
 - Idaho's methodology is a cost-based prospective reimbursement system with an acuity adjustment for direct care costs. New rates are effective July 1st of each year and rebased annually.
 - In no case will the rate be set higher than the charge for like services to private pay patients in effect for the period for which payment is made as computed by the lower of costs or customary charges.
 - Reimbursement rates will be set based on projected cost data from cost reports and audit reports.
 - Reimbursement is to be set for freestanding and hospital-based facilities.
 - Rate adjustments are made quarterly based on each facility's case mix index as of a certain date during the preceding quarter. Reference section II.01 on page 2 of Attachment 4.19-D.
 - For the rate period of July 1, 2011 through June 30, 2012. Rates will be calculated using cost reports ended in calendar year 2010 with no allowance for inflation to the rate period of July 1, 2011, through June 30, 2012.
 - For the rate period of July 1, 2010, through June 30, 2012, the direct and indirect cost limits will be fixed at the cost limits established for the rate period July 1, 2010, through June 30, 2011.
02. Data Sources used by the Department of Health and Welfare, Division of Medicaid are the following:
 - a. Year end reports which contain historical financial and statistical information submitted by the facility for past rate-setting years.
 - b. Utilization and payment history report.
 - c. Medicare Cost report.

INTERMEDIATE CARE FACILITIES FOR THE INTELLECTUALLY DISABLED (ICF/ID)

I. Introduction

Except as otherwise provided in this section, rates calculated for state fiscal year 2012(July 1, 2011 through June 30, 2012) will be calculated by using finalized cost reports ended in calendar year 2010 with no cost or cost limit adjustments for inflation to the rate period of July 1, 2011 through June 30, 2012.

01. Rate setting principles and methods for ICF/ID is contained in Idaho Administrative Code 16.03.10.588-621 (effective 3/19/07), 16.03.10.622 (effective 7/1/10) and 16.03.10.623-633 (effective 3/19/07).

- Idaho's methodology is a cost-based prospective reimbursement system. New rates are effective July 1st of each year and rebased annually.
- In no case will the rate be set higher than the charge for like services to private pay patients in effect for the period for which payment is made as computed by the lower of costs or customary charges.
- Reimbursement rates will be set based on the most recently audited cost data from cost reports and audit reports.

02. Data Sources used by the Department of Health and Welfare, Division of Medicaid are the following:

- a. Year end reports which contain historical financial and statistical information submitted by the facility for past rate-setting years.
- b. Utilization and payment history report.