

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
2201 6th Avenue, Mailstop RX-43
Seattle, Washington 98121



Division of Medicaid & Children's Health Operations

NOV 29 2012

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

CORRECTION: This is to replace the initial letter dated November 19, 2012, in which the appropriate salutation was not used. Please note that this does not alter the content or timing of the initial letters. Thank you.

RE: Idaho State Plan Amendment (SPA) Transmittal Number 12-010

Dear Mr. Armstrong:

The Centers for Medicare & Medicaid Services (CMS) National Institutional Reimbursement Team (NIRT) recently approved Idaho State Plan Amendment (SPA) 12-010.

Although the NIRT 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 for your records.

If you have any questions concerning the Seattle Regional Office role in the processing of this SPA, please contact me, or have your staff contact Deb Washington at (206) 615-2370 or via email at Deborah.Washington@cms.hhs.gov.

Sincerely,

A black rectangular redaction box covers the signature of Carol J.C. Peverly.

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

Enclosure

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
2201 6th Avenue, Mailstop RX-43
Seattle, Washington 98121



Division of Medicaid & Children's Health Operations

NOV 19 2012

RECEIVED
NOV 26 2012
DIV. OF MEDICAID

RECEIVED
NOV 26 2012
HEALTH AND WELFARE DEPARTMENT
OFFICE OF THE DIRECTOR

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

RE: Idaho State Plan Amendment (SPA) Transmittal Number 12-010

Dear Ms. Dreyfus:

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

Enclosure

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 and CHIP Services (CMCS)

NOV 14 2012

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

RE: Idaho SPA TN# 12-010

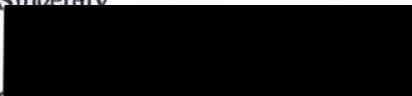
Dear Mr. Armstrong,

We have reviewed the proposed amendment to Attachment 4.19-D of your Medicaid State plan submitted under transmittal number (TN) 12-010. This amendment standardizes the practice of utilizing the ICF/ID cost reports from two years prior in setting the current SFY rates (e.g., CY 2010 cost reports to set SFY 2013 rates).

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 12-010 is approved effective as of July 2, 2012. 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 Miami
Director, CMCS

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

FOR: HEALTH CARE FINANCING ADMINISTRATION

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

1. TRANSMITTAL NUMBER:

12-010

2. STATE
IDAHO

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

4. PROPOSED EFFECTIVE DATE

July 1, 2012 July 2, 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:
1905(a)(6), 1905(a)(12) and 2110(a)(24) of the Social Security Act

7. FEDERAL BUDGET IMPACT:

Total (\$) Federal Funds
FFY ~~2013~~ (\$0) FFY 2012 (\$0); FFY 2013 (\$0)

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19-D. Provider Reimbursement, page 28 and 29.

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

Attachment 4.19-D. Provider Reimbursement, page 28 and 29.

10. SUBJECT OF AMENDMENT:

This change confers a benefit because in order to continue benefits, the Department must be able to continue to calculate reimbursement rates based on current cost reporting years and those years have to be defined in rule.

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

OFFICIAL:

16. RETURN TO:

13. TYPED NAME:
Paul J. Leary

Paul J. Leary, Administrator
Idaho Department of Health and Welfare
Division of Medicaid
PO Box 83720
Boise ID 83720-0036

14. TITLE:
Administrator

15. DATE SUBMITTED:

9-18-12

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED: September 18, 2012

18. DATE APPROVED: November 14, 2012

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:
July 2, 2012

21. TYPED NAME:
Carol J. C. Peverly

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

23. REMARKS:

10/02/2012 - Pen and Ink (P&I) changes authorized by State to blocks 4 and 7.

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

I. Introduction

Rates effective July 1, 2012, and every July 1 thereafter, will be calculated by using finalized cost reports ended in the calendar year two (2) years prior to each July 1, (July 1, 2012, rates will use cost reports ended in calendar year 2010 and so forth), with no cost or cost limit adjustments for inflation.

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.

II. Development of the Rate

01. Providers of ICF/ID facilities will be paid a per diem rate which, with certain exceptions, is not subject to an audit settlement.
02. The per diem rate for a fiscal period will be based on audited historical costs adjusted for inflation.
03. Total payment will include the following components:
 - a. Property reimbursement
 - b. Capped costs
 - c. An efficiency increment
 - d. Exempt costs
 - e. Excluded costs