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**State/Territory Name: Idaho**

**State Plan Amendment (SPA) #: 17-0012**

This file contains the following documents in the order listed:

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

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
7500 Security Boulevard, Mail Stop S2-26-12  
Baltimore, MD 21244-1850



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**Financial Management Group**

**OCT 18 2017**

Russ Barron, Director  
Idaho Department of Health and Welfare  
Post Office Box 83720  
Boise, Idaho 83720-0036

**RE: ID State Plan Amendment (SPA) Transmittal Number #17-0012 – Approval**

Dear Mr. Barron:

We have reviewed the proposed amendment to Attachment 4.19-D of your Medicaid State plan submitted under transmittal number (TN) 17-0012. This SPA shortens the initial cost reporting period for new Behavioral Care Units (BCUs) from one-year to 60 days minimum.

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 17-0012 is approved effective as of September 1, 2017. 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' RO NIRT Representative at 208-861-9838 or [Thomas.Couch@cms.hhs.gov](mailto:Thomas.Couch@cms.hhs.gov).

Sincerely,



Kristin Fan  
Director

Enclosures



**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 SERVICES1. TRANSMITTAL NUMBER:  
**17-0012**2. STATE  
**IDAHO**3. PROGRAM IDENTIFICATION: **TITLE XIX OF THE  
SOCIAL SECURITY ACT (MEDICAID)**4. PROPOSED EFFECTIVE DATE  
**September 01, 2017**5. TYPE OF PLAN MATERIAL (*Check One*):☐ NEW STATE PLAN☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN☒ AMENDMENTCOMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (*Separate Transmittal for each amendment*)6. FEDERAL STATUTE/REGULATION CITATION:  
**1905(a)(6) and 2110(a)(24) of the Social Security Act**7. FEDERAL BUDGET IMPACT:  
~~\$0.00~~ (P&I) FY17: \$0  
FY18: \$0

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

~~Attachment 4.19-D, adding pages 15b and 15c~~ (P&I)~~Attachment 4.19-D, pages 15a, 15b and 15c~~ (P&I)

Attachment 4.19-D pages 15b and 15c

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION  
OR ATTACHMENT (*If Applicable*):~~N/A~~ (P&I)

Attachment 4.19-D, page 15a (P&amp;I)

10. SUBJECT OF AMENDMENT:

These proposed changes will make it easier for providers who wish to start up a Behavioral Care Unit to enter the market. Currently a provider must self-fund the first year of operations in order to generate a full year of cost reporting. After the initial year, reimbursement for providing services as a Behavioral Care Unit can commence. These proposed changes will shorten the cost reporting period from a full year to a minimum of 60 calendar days. The expedited reimbursement will allow more providers to enter the market and improve access to these services throughout the state.

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:

LISA HETTINGER

14. TITLE:

Deputy Director

15. DATE SUBMITTED: 08/16/2017

16. RETURN TO:

Lisa Hettinger, Deputy Director  
Idaho Department of Health and Welfare  
Division of Medicaid  
PO Box 83720  
Boise ID 83720-0009**FOR REGIONAL OFFICE USE ONLY**17. DATE RECEIVED:  
8/16/1718. DATE APPROVED: **OCT 18 2017**

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

**SEP 01 2017**

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME:

**Kristen FAN**

22. TITLE:

**Director, FMC**

23. REMARKS:

8/17/17: State authorized P&amp;I change to boxes 7, 8, and 9

8/25/17: State authorized P&amp;I change to box 8 and 9

01. **Treatment of Newly Licensed Facilities With Behavioral Care Units (BCUs). Criteria to Qualify as a New BCU.** Facilities licensed on or after September 1, 2017, must meet the qualifications for a BCU described in Subsections 266.02, 266.03, and 266.05 through 266.15 of IDAPA 16.03.10 (effective date 9/1/17 – temporary rule). BCU facilities existing prior to this date that receive a new license due to a change of ownership will not be subject to the provisions of IDAPA 16.03.10 (effective date 9/1/17 – temporary rule).
- a. **Reimbursement for Years One (1) Through (3).** Beginning with the first day of the first month following approval of the BCU license and when the provider can demonstrate that BCU days from a minimum of sixty (60) calendar days, regardless of payer source, divided by total census days for that same sixty (60) day period, equals or exceeds a minimum of twenty percent (20%), the provider's rate will change to reflect BCU services. The provider will be reimbursed at the median rate for BCU facilities of that type, either freestanding or hospital-based, for the remaining period within the first three (3) full years of operation. If there are no facilities of the same type (for example, no other hospital-based BCUs), the provider will receive the median rate for their type, but the direct care portion of the rate will be revised to the median rate of existing BCUs. The rate change to reflect BCU services will not be retroactive to rate quarters paid prior to meeting the 20% BCU occupancy requirement.
  - b. A nursing facility must apply for BCU eligibility on an annual basis in accordance with Subsection 266.07 of IDAPA 16.03.10 (effective date 9/1/17 – temporary rule). If the provider did not meet the BCU qualifications described in Section 266 of IDAPA 16.03.10 (effective date 9/1/17 – temporary rule), with the exception of Subsections 266.01 and 266.04, for a full cost report year corresponding to the initial application year, the 20% BCU day requirement will apply only to days beginning with the first day of BCU eligibility to the end of the year.
  - c. During the period of limitation, the facility's rate will be modified annually on July 1st to reflect the current median rate for skilled care facilities of that type. After the first three (3) complete years of operations, the facility will have its rate established at the next July 1st with the existing facilities in accordance with Subsections 266.03 and 266.05 of IDAPA 16.03.10 (effective date 9/1/17 – temporary rule).
  - d. During the period of limitation, providers must demonstrate annually that BCU days were equal to or exceeded twenty percent (20%), as described in Subsection 267.02 of IDAPA 16.03.10 (effective date 9/1/17 – temporary rule). Providers must provide a report to the Department with a calculation of BCU days for each month during the period being reviewed. If the twelve (12) month average falls below twenty percent (20%), then the BCU reimbursement will revert back to the median rate per Section 260 of IDAPA 16.03.10 (effective date 9/1/17 – temporary rule). Once the Department has established the provider has met the requirements of Subsection 267.01, they will be eligible for a new rate outlined in Subsection 267.02.b of IDAPA 16.03.10 (effective date 9/1/17 – temporary rule).
02. **Existing Provider Elects to Add Behavioral Care Unit (BCU).** An existing nursing facility provider that elects to add a BCU on or after September 1, 2017, may be deemed eligible after meeting the following requirements:
- a. **Meet Criteria for BCU.** The nursing facility provider must meet the criteria for a BCU described in Section 266 of IDAPA 16.03.10 (effective date 9/1/17 – temporary rule).
  - b. **BCU Eligible Days.** The provider must demonstrate that BCU days from a minimum of sixty (60) calendar days, regardless of payer source, divided by total census days for that same sixty (60) day period, equals or exceeds a minimum of twenty percent (20%).
  - c. **BCU Payments.** Once the provider has met the requirements of Section 268.01 and 02 of IDAPA 16.03.10 (effective date 9/1/17 – temporary rule), beginning with the first day of the first quarter following BCU license, the provider's rate will change to reflect BCU services. At no time will the rate be adjusted mid-quarter. The rate will be calculated as follows.
    - i. The indirect costs, costs exempt from limitations, and property costs will be reimbursed in the same manner as all other providers in accordance with reimbursement provisions contained in IDAPA 16.03.10 (effective date 9/1/17 – temporary rule).

- ii. The direct cost portion of the rate will be reimbursed as a prospective rate not subject to a change from an interim rate to a final rate. The direct care portion of the rate will be calculated by determining the median direct care rate for BCU facilities of that type (freestanding or hospital-based) effective on July 1 of the rate year. If there are no facilities of the same type (for example no other hospital-based BCUs), the direct care portion of the rate will be set at the median rate of existing BCUs. The direct care portion of the rate will be updated on July 1 of each rate year until the provider has a qualifying 12-month cost report, as described in Section 268.03.d. of IDAPA 16.03.10 (effective date 9/1/17 – temporary rule).
- iii. The provider's total calculated rate will be subject to customary charge limitations and any other rate reductions implemented for other providers.
- iv. Once the provider has a twelve (12) month cost report that contains a full year of BCU costs, their rate will be calculated in the same manner as other providers in accordance with IDAPA 16.03.10 (effective date 9/1/17 – temporary rule).
- v. A nursing facility must apply for BCU eligibility on an annual basis in accordance with Section 266 of IDAPA 16.03.10 (effective date 9/1/17 – temporary rule). If the provider was not a BCU for a full cost report year, the 20% BCU day requirement will apply only to days beginning with the first day of BCU eligibility to the end of the year.