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State Plan Amendment (SPA) 19-0002

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



Financial Management Group

September 11, 2019

Dave Jeppesen, Director
Idaho Department of Health and Welfare
Towers Building – Tenth Floor
Post Office Box 83720
Boise, Idaho 83720-0036

RE: State Plan Amendment (SPA) ID-19-0002

Dear Mr. Jeppesen:

We have reviewed the proposed amendment to Attachment 4.19-D of your Medicaid State plan submitted under transmittal number 19-0002. This amendment revises the upper payment limit (UPL) demonstration for intermediate care facilities for individuals with intellectual disabilities (ICF/IID). The State will direct additional funding raised by this SPA to direct care wages to ensure continued access to quality services.

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 have found that the proposed reimbursement methodology complies with applicable requirements and therefore have approved them with an effective date of July 1, 2019. We are enclosing the CMS-179 and the amended approved plan pages.

If you have any questions, please call Tom Couch at (208) 861-9838.

Sincerely,

A solid black rectangular box redacting the signature of Kristin Fan.

Kristin Fan
Director

cc:
Hamilton Johns
Tom Couch

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL	1. TRANSMITTAL NUMBER: 19-0002	2. STATE IDAHO
	3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
FOR: HEALTH CARE FINANCING ADMINISTRATION	4. PROPOSED EFFECTIVE DATE 07-01-2019	
TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES		

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: FFY2019 \$2,000,000 FFY2020 \$2,000,000
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8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Pages 48 and 49 (new page) of Attachment 4.19-D	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Page 48 of Attachment 4.19-D Page 49 is a new page
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10. SUBJECT OF AMENDMENT:
Amendment to the State Plan to increase the Upper Payment Limit (UPL) for Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICF/ID) up to 112% to be distributed for direct care wages to address access and quality concerns.

11. GOVERNOR'S REVIEW (Check One):

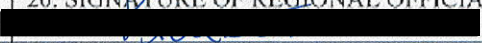
GOVERNOR'S OFFICE REPORTED NO COMMENT OTHER, AS SPECIFIED:
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL: 	16. RETURN TO: Matt Wimmer, Administrator Idaho Department of Health and Welfare Division of Medicaid PO Box 83720 Boise ID 83720-0009
13. TYPED NAME: MATT WIMMER	
14. TITLE: Administrator	
15. DATE SUBMITTED:	

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:	18. DATE APPROVED: SEP 11 2019
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PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL: JUL 01 2019	20. SIGNATURE OF REGIONAL OFFICIAL: 
21. TYPED NAME: Kristin Fan	22. TITLE: Director, FMG

23. REMARKS:

XIV. SUPPLEMENTAL PAYMENTS

Subject to the provision of this section, eligible providers of Medicaid Intermediate Care Facility for the Intellectually Disabled (ICF/ID) services will receive a supplemental payment each state fiscal year.

The supplemental payments are intended to be used to improve access to health care. The payments made to these facilities will be based on the aggregate difference in the actual amount paid by the Medicaid program and the amount that Idaho would have been paid under Medicare payment principles.

The supplemental payments will not exceed the Medicaid upper payment limits for ICF/ID's. The Medicaid Upper Payment limit (UPL) analysis will be performed prior to making the supplemental payments.

The computation of the Medicaid UPL will utilize for state fiscal year 2019 (for distributions paid in state fiscal year 2020), audited Medicaid cost reports ending in calendar year 2017 and the average of daily reimbursement rates for each ICF/ID. To calculate a comparable Medicare rate, costs used in the calculation of these Medicaid rates are adjusted to compute a rate that would have been paid under Medicare payment principles at 112% of aggregate non-property cost as described in 42 USC 1395yy, and then inflated to the UPL period. The Medicaid rate is then subtracted from the average Medicare rate for the same time period, with the result then multiplied by the Medicaid days from the ICF/ID's facility's audited cost report (e.g. for State fiscal year 2019 (for payments made in state fiscal year 2020), the cost report ending in calendar year 2017, will be used to calculate the Medicaid days) to arrive at the facility's contribution to the group's aggregate UPL room (over/under the UPL). Adjustment payments paid for each state fiscal year thereafter will be determined in the same manner using a rolling yearly schedule for cost report periods.

Supplemental payments made to the state and ICF/ID's are governed by IDAHO CODE 56-1609 effective 07/01/11. Beginning in state fiscal year 2019 (for payments made in state fiscal year 2020), the state annual supplemental payments (based on a yearly calculation) will be distributed to providers as follows:

- a) The upper payment limit gap will be calculated based on each ownership class of private, non-state government owned, and state owned.
- b) The portion of the UPL gap up to the total aggregate cost within each ownership class will be distributed based on each provider's share of Medicaid days to total days in the ownership class.
- c) An additional UPL gap will be calculated that is over and above the amount calculated based on the UPL limit of up to 112% of non-property costs. An adjustment pool for distribution of this amount will be determined at an amount within this limit, but not to exceed this limit.
- d) Any distributions above 100% of cost must be distributed for direct care worker wage increases or to reward providers for delivering value-based quality of services, or both, developed by the Department in collaboration with ICF/ID providers. Any distributions designated for direct care worker wages that are not distributed to direct care staff in the form of wages or benefits will be recouped by the Department.

- e) State-owned and operated ICF/IDs may be exempt from the adjustment payment, value-based payment program, and assessment.