

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 Services

FEB 25 2013

Mr. Gary Alexander, Secretary
Commonwealth of Pennsylvania
Department of Public Welfare/Department of Aging
Office of Long-Term Living
555 Walnut Street
Forum Place, 5th Floor
Harrisburg, PA 17101-1919

RE: State Plan Amendment 12-031


Dear Mr. Alexander:

We have completed our review of State Plan Amendment (SPA) 12-031. This SPA modifies Attachment 4.19-D of Pennsylvania's Title XIX State Plan. Specifically, 12-031 amends the methodology for setting rates for county nursing facilities that privatize after November 1, 2012.

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 state plan amendment 12-031 effective November 1, 2012. We are enclosing 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
Center for Medicaid & CHIP Services

Enclosures

cc: Randy Sipes
Judy Patrick

bcc: Fran McCullough, ARA, RO3
Dan Robison, FMB RO3
Harry Mirach, POB RO3
Mary McKeon, PA State Lead
Andrew Badaracco, CO NIRT
Kathy Walch, CO NIRT
Official NIRT File

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

1. TRANSMITTAL NUMBER:
12-031

2. STATE
Pennsylvania

FOR: HEALTH CARE FINANCING ADMINISTRATION

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
November 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:
42 CFR 447.250

7. FEDERAL BUDGET IMPACT:
a. FFY 2013 \$0
b. FFY 2014 \$0

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:
4.19D Part I, Page 8b

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (*If Applicable*):
4.19D Part I, Page 8b

10. SUBJECT OF AMENDMENT:

Rate setting for county nursing facilities that privatize and remain in the Medical Assistance Program.

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:
Review and approval authority has been
delegated to the Secretary of Public Welfare

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:
Gary D. Alexander

14. TITLE:
Secretary of Public Welfare

15. DATE SUBMITTED: NOV 21 2012 DEC 21 2012

16. RETURN TO:

Commonwealth of Pennsylvania
Department of Public Welfare/Department of Aging
Office of Long-Term Living
555 Walnut Street
Forum Place, 5th Floor
Harrisburg, Pennsylvania 17101-1919

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

18. DATE APPROVED:
FEB 25 2013

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:
NOV 01 2012

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME:
PENNY THOMPSON

22. TITLE:
DEP. DIRECTOR, CMCS

23. REMARKS:

(e) In accordance with § 1187.97, if a county nursing facility becomes a nursing facility between July 1, 2006 and June 30, 2012, the per diem rate for the nursing facility will be computed in accordance with § 1187.96, using the data contained in the NIS database. If a county nursing facility becomes a nursing facility November 1, 2012 and thereafter, the per diem rate for the nursing facility will be computed in accordance with § 1187.96, using the peer group price for resident care, other resident related and administrative costs from the appropriate peer group until there is at least one nursing facility cost report submitted from the new provider in the NIS database audited for use in the rebasing process. The fixed property component will be the only component of the capital portion of the per diem rate until there is a least one nursing facility cost report submitted from the new provider in the NIS database audited for use in the rebasing process, and will be computed in accordance with § 1187.96(d)(1).

C. Cost Finding

All nursing facilities participating in the Medical Assistance Program shall use the direct allocation method of cost finding. Under this method of cost finding, costs are apportioned directly to the nursing facility and residential or other facility based on the appropriate financial and statistical data.

D. Cost Reporting and Audit Requirements

All nursing facilities participating in the MA Program shall report allowable costs and the results of the cost finding process on forms specified by the Department. Allowable costs are classified in four cost centers: resident care; other resident related; administrative and capital. Net operating costs include resident care, other resident related and administrative. All records are subject to verification and audit. The financial and statistical records of all nursing facilities are audited periodically by the Department.