

Table of Contents

State Name: Pennsylvania

State Plan Amendment (SPA)#: 16-0033

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form (with 179-like data)
- 3) Two (2) SPA Pages

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

NOV 08 2016

Mr. Theodore Dallas, Secretary
Commonwealth of Pennsylvania
Department of Human Services
Office of Medical Assistance Programs
PO Box 2675
Harrisburg, PA 17110

RE: State Plan Amendment 16-0033

Dear Mr. Dallas:

We have reviewed the proposed amendment to Attachment 4.19-D of the Pennsylvania State plan submitted under transmittal number (TN) 16-0033. This amendment modifies the State's methods and standards for setting public nursing facility (NF) payment rates. Specifically, this amendment continues the use of a budget adjustment factor and establishes the factor for setting rates for the 2017 through 2019 state fiscal years.

We conducted our review of your submittal according to the statutory requirements at Sections 1902(a)(2), 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 Pennsylvania State plan amendment 16-0033 effective date of July 1, 2016. The approved HCFA-179 and the amended state plan pages are enclosed.

If you have any questions, please call Gary Knight on (304) 347-5723.

Sincerely,

/S/

Kristin Fan
Director

Enclosures

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

1. TRANSMITTAL NUMBER:
16-0033

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
July 1, 2016

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 2016 \$0
b. FFY 2017 \$0

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

4.19D Part Ia, Pages 1a and 1b

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION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

4.19D Part Ia, Pages 1a and 1b

10. SUBJECT OF AMENDMENT:

Budget Adjustment Factor Formula for County Nursing Facilities and Extension of the BAF for Rate Years 2016-2017, 2017-2018 and 2018-2019.

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:

/S/

13. TYPED NAME:

Theodore Dallas

14. TITLE:

Secretary of Human Services

15. DATE SUBMITTED:

SEP 27 2016

16. RETURN TO:

PA Department of Human Services
Office of Long-Term Living/Forum Place 6th Fl.
Attention: Bureau of Policy and Regulatory Management
P.O. Box 8025
Harrisburg, Pennsylvania 17105-8025

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

18. DATE APPROVED:

NOV 08 2016

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

JUL 01 2016

20. SIGNATURE OF REGIONAL OFFICIAL:

/S/

21. TYPED NAME:

Kristin Fan

22. TITLE:

Director, FMC

23. REMARKS:

4. For rate setting year 2009-2010 and 2010-2011, the Department will apply a budget adjustment factor to county and non-public nursing facility payment rates for medical assistance nursing facility services. The budget adjustment factor shall limit the estimated aggregate increase in the Statewide day-weighted average payment rate for medical assistance nursing facility services for county and non-public nursing facilities so that the aggregate percentage rate of increase for the period that begins July 1, 2005 and ends on June 30, 2011 is limited to the amount permitted by the funds appropriated by the General Appropriations Acts. The formula for this budget adjustment factor as it applies to county nursing facilities for the 2009-2010 rate year is as follows: $BAF = 1.00 + 0.01$. For the rate year beginning July 1, 2009, and ending June 30, 2010, the per diem rate paid to a county nursing facility for an MA resident will be the facility's July 1, 2008 per diem rate calculated in accordance with paragraph 1 above, multiplied by the budget adjustment factor of 1.01.

5. For rate setting year 2011-2012 and 2012-2013, the Department will apply a budget adjustment factor to county and non-public nursing facility payment rates for medical assistance nursing facility services. The budget adjustment factor shall limit the estimated Statewide day-weighted average payment rate for medical assistance nursing facility services for county and non-public nursing facilities so that the average payment rate is limited to the amount permitted by the funds appropriated by the General Appropriations Acts. For the rate year 2011-2012 and 2012-2013, the per diem rate paid to a county nursing facility for an MA resident will be the facility's prior year per diem rate as calculated under Chapter 1189, Subchapter D and § 1189.91(b) multiplied by the applicable budget adjustment factor. The budget adjustment factor for 2011-2012 as it applies to county nursing facilities is 1.0 and the budget adjustment factor for 2012-2013 as it applies to county nursing facilities is 1.0.

6. For rate setting years 2013-2014 through 2015-2016 and 2016-2017 through 2018-2019 the Department will apply a budget adjustment factor to county and non-public nursing facility payment rates for medical assistance nursing facility services. The budget adjustment factor shall limit the estimated Statewide day-weighted average payment rate for medical assistance nursing facility services for county and non-public nursing facilities so that the average payment rate is limited to the amount permitted by the funds appropriated by the General Appropriations Acts. The formula

for the budget adjustment factor as it applies to county nursing facilities is as follows:

BAF = 1.00 + the percentage rate of change permitted by the funds appropriated by the General Appropriations Act for the applicable rate year. For the rate years 2013-2014 through 2015-2016 and 2016-2017 through 2018-2019 the per diem rate paid to a county nursing facility for an MA resident will be the facility's prior year per diem rate as calculated under Chapter 1189, Subchapter D and § 1189.91(b) multiplied by the applicable budget adjustment factor.

7. New county nursing facility. The per diem rate paid to a new county nursing facility for an MA resident will be the statewide average of all other county nursing facilities' per diem rates for the same rate setting year as established above.