<u>Nursing Facility UPL Guidance</u>

I.   **<u>The Basis of the UPL Formula is:</u>**

☐ Cost-Based Demonstration (e.g. Routine per diem X Medicaid covered days, and Cost-to-charge ratio X Medicaid covered NF charges), or

☐ Medicaid Nursing Facility Cost Report Demonstration, or

☐ Medicare Resource Utilization Group (RUGs) Payment Demonstration

☐ Other (please describe below):

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Please provide a general description of the formula:

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II.   **<u>The source of the UPL Medicare equivalent data is:</u>**

☐ The Medicare Cost Report (CMS 2540 and 2552 for hospital-based NF services)

    ☐ Filed

    ☐ Settled

☐ State Nursing Facility Cost Report

    ☐ Filed

    ☐ Settled

☐ Medicare Resource Utilization Group (RUGs)

☐ Other Data Source (Please describe)

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What is the time period of the data?

Base year data: _____

Rate year data: _____

Is the data the most recently available to the state?

☐ Yes

☐ No

III. The State uses the Medicare Cost Report to Calculate the Medicare Equivalent:

Cost-Based Demonstration:

CMS 2552:

☐ Worksheet B (costs)

☐ Worksheet C (cost and charges)

☐ Worksheet D-1 (per diems)

CMS 2540:

☐ Worksheet B (costs)

☐ Worksheet C (ancillary cost and ancillary charges)

☐ Worksheet D-1 (per diems)

Describe which columns and lines that are used to determine the cost-to-charge ratios and the routine per diem amounts used in the cost-based UPL.

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Other Cost Report Worksheets, Columns and Lines used:

If the state uses other worksheets, describe them and how they are applied.

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☐   The ancillary and routine Medicare costs are determined per facility.

The state makes necessary adjustments to account for differences in Medicare and Medicaid costs and charges (e.g. reduces Medicare cost and charges for drugs).

☐ Yes

☐ No

Explain the adjustments?

The State applies Medicaid ancillary charge data, as described below to the Medicare ancillary charge ratios:

☐   The Medicaid covered charges are from paid claims reported from the MMIS.

☐   The Medicaid covered charges are from another source.

　　　Other source and description:

☐   Do the dates of service for the Medicaid ancillary charge data match the dates of services from the Medicare cost report data?

　　　If no, please explain.

Does the state only include Medicaid charges from in-state Medicaid residents?

☐ Yes

☐ No

Does the charge data exclude crossover claims?

☐ Yes

☐ No

Are physicians and other professional service charges excluded?

☐ Yes

☐ No

Please explain the inclusion of any professional service charges and verify that those services as covered, billed and paid as Medicaid nursing facility service payments in accordance with the State's approved State plan methodology.

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The State calculates Medicare routine cost per diem for each facility:

Describe the calculation:

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☐ The source of Medicaid covered days are from paid claims reported from the MMIS.

☐ The source of the Medicaid covered days are the worksheets, columns and lines listed below from a state nursing facility cost report:

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IV.   The State uses a Medicaid State Nursing Facility Cost Report to Calculate the Medicare Equivalent:

Describe the cost report and provide a crosswalk of the worksheets, lines and columns to the equivalent worksheets, lines and columns reported on the Medicare 2552 or 2540. Please fully detail any variation between the state's cost report and the Medicare cost report.

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Describe the treatment of capital expenditures:

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<u>The State calculates Medicare-equivalent cost per diem for each facility:</u>

Describe the calculation:

☐ The source of the Medicaid covered days are the worksheets, columns and lines listed below from a state nursing facility cost report:

☐ The source of the Medicaid covered days are paid claims reported from the MMIS.

V.   The State uses Resource Utilization Groups to Calculate the Medicare Equivalent:

Describe the version of the RUGs case-mixed classification system used in the demonstration and the calculation of the Medicare equivalent payment:

Describe all adjustments the state makes to account for variation between the Medicare RUGs system and the state's Medicaid nursing facility reimbursement policy:

VI.   The UPL demonstration applies Medicaid payment data as follows:

Medicaid base payment data is reported from the MMIS.

☐ Yes

☐ No

If the source of the payment data is a different source, please explain:

Medicaid payment data includes ALL base and supplemental payments to nursing facility providers. Base and supplemental payments must be identified separately. Note: any reimbursement paid outside of MMIS should also be included (e.g. quality incentive payments.)

☐ Yes

☐ No

Please explain payments that are made outside of the MMIS.

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Medicaid payment data exclude crossover claims.

☐ Yes

☐ No

Is the Medicaid payment reported gross or net of deductibles and co-pays?

☐ Gross

☐ Net

Describe how Medicaid payment rate changes between the base period and the UPL period are accounted for in the demonstration?

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Does the dollar amount of payments for the UPL base period equal the "claimed" amounts on the CMS-64, Medicaid Expenditures report for the UPL time period?

☐ Yes

☐ No

If no, please provide a reconciliation and explanation of the difference?

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VII.   The State trends the UPL data, as follows:

The State trends the UPL for inflation.

☐ Yes

☐ No

Explain the trending factor and its source.

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The state trends using the RUGs frequency distribution for each facility:

☐ Yes

☐ No

Please describe the application of the frequency distribution.

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Is the inflation trend applied from "mid-point to the mid-point" in order to most accurately project future experience?

☐ Yes

☐ No

The state trends the UPL for volume/utilization.

☐ Yes

☐ No

Explain the volume/utilization adjustment, including: how it will assure the UPL does not over or understate the volume of Medicaid nursing facility services provided in the rate year, how it is applied and that it is applied consistently to the Medicare equivalent and Medicaid payment data:

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Does the state apply a claims completion factor to the payment data?

☐ Yes

☐ No

Please explain the claims completion factor and its application:

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Does the state apply a claims completion factor to the day/charge data?

☐ Yes

☐ No

Please explain the claims completion factor and its application:

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Is the claims completion factor equally applied to the payment and day/charge data?

☐ Yes

☐ No

VIII.   The State UPL data demonstration is structured as follows:

The state conducted the UPL data demonstration separately for state government owned or operated, non-state government owned operated and privately owned or operated nursing facilities?

☐ Yes

☐ No

All Medicaid base and supplemental payments are included in the demonstration and are separately identified.

☐ Yes

☐ No

The demonstration includes all nursing facilities that receive payments under Medicaid?

☐ Yes

☐ No

The data demonstration only includes in-state nursing facilities.

☐ Yes

☐ No

If the state includes out of state nursing facilities in the UPL calculation, please verify that data on cost/payments have been obtained from the cost report of the out of state nursing and that the nursing facilities are included in the "private" provider category.

☐ Yes

☐ No

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