



DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services

Region 10
2201 Sixth Avenue, MS/RX-43
Seattle, Washington 98121

AUG 26 2011

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

RE: Idaho State Plan Amendment 11-002

Dear Mr. Armstrong:

The Centers for Medicare & Medicaid Services (CMS) National Institutional Reimbursement Team (NIRT) recently approved Idaho State Plan Amendment (SPA) 11-002.

Although the NIRT Team has already sent the State a copy of the approval for this SPA, the Seattle Regional office is following up with an additional copy for the reason that we were in receipt of the original, signed amendment request.

Therefore, enclosed you will find a copy of the official CMS form 179, amended page(s), and copy of the approval letter from the NIRT Team for your records.

If you have any questions or require assistance concerning the Seattle Regional office role in the processing of this state plan amendment, please contact me, or have your staff contact Jan Mertel at (206) 615-2317 or jan.mertel@cms.hhs.gov.

Sincerely,

Carol J.C. Peverly
Associate Regional Administrator
Division of Medicaid and Children's Health
Operations

Enclosure

Cc: Leslie Clement, Administrator, Idaho Department of Health and Welfare

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, and Survey & Certification

Richard Armstrong, Director
Department of Health & Welfare
Towers Building – Tenth Floor
PO Box 83720
Boise, Idaho 83720-0036

AUG 26 2011

RE: Idaho SPA TN# 11-002

Dear Mr. Armstrong,

We have reviewed the proposed amendment to Attachment 4.19-D of your Medicaid State plan submitted under transmittal number (TN) 11-002. This amendment implements a new supplemental payment to ICF/IDs, and updates the State Code references for supplemental payments to NSGO and private NFs.

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 11-002 is approved effective as of July 1, 2011. 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' Boise Outstation Office, at 334-9482 or Thomas.Couch@cms.hhs.gov.

Sincerely,

Cindy Mann
Director
Center for Medicaid, CHIP, and Survey & Certification

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL	1. TRANSMITTAL NUMBER: 11-002	2. STATE IDAHO
	3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
FOR: HEALTH CARE FINANCING ADMINISTRATION	4. PROPOSED EFFECTIVE DATE July 1, 2011	
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: 42 CFR 447.201	7. FEDERAL BUDGET IMPACT: Total (\$) Federal Funds FFY 2011 (07/01/11-09/30/11) \$391,244 \$457,607 (P&I) FFY 2012 (10/01/11-06/30/12) \$1,089,396 \$2,134,123 (P&I)
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8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-D, pages 26, 27 and 48.	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Attachment 4.19-D, pages 26 and 27.
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10. SUBJECT OF AMENDMENT:
We are requesting this amendment to our State Plan to introduce supplemental payments to ICF/IDs

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:
13. TYPED NAME: Leslie M. Clement	Leslie M. Clement, Administrator Idaho Department of Health and Welfare Division of Medicaid PO Box 83720 Boise ID 83720-0036
14. TITLE: Administrator	
15. DATE SUBMITTED: 5/27/11	

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED: MAY 31, 2011	18. DATE APPROVED: AUG 26 2011
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PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL: July 1, 2011	20. SIGNATURE OF REGIONAL OFFICIAL:
21. TYPED NAME: Carol J.C. Peveryly	22. TITLE: Associate Regional Administrator

23. REMARKS:

6/21/11 - Pen & Ink Changes Authorized by the State.
8/5/11 - Pen & Ink Changes Authorized by the State.

449. SUPPLEMENTAL PAYMENTS

01. SUPPLEMENTAL PAYMENTS FOR STATE AND COUNTY-OWNED NURSING HOME FACILITIES.

Subject to the provisions of this section, eligible providers of Medicaid nursing home facility services shall receive a supplemental payment each state fiscal year. Eligible providers are state and county owned nursing home facilities.

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 would have been paid under Medicare payment principles.

The supplemental payments shall not be subject to rules governing payments to nursing home facilities found in IDAPA 16.03.10. However, they shall not exceed the Medicaid upper payment limits for non-state governmental-owned or -operated nursing home facility payments. The Medicaid upper payment limit (UPL) analysis will be performed prior to making the supplemental payments.

The computation of the Medicaid UPL will utilize the latest complete State fiscal year average of daily reimbursement rates for each nursing facility, adjusted to a comparable Medicare level (through the addition of actual facility-specific payments for pharmaceutical, laboratory, X-ray, and add-on payments paid during the same State fiscal year as the rate averaging). The adjusted 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 nursing facility's cost report (e.g. for State fiscal year 2011, the most recently audited cost report as of July 1, 2010, 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).

Supplemental payments made to the state and county owned nursing facilities are governed by Idaho Code 56-1511 effective 07/1/11. The State will make annual supplemental payments (based on a yearly calculation) for each State fiscal year based on a calculation that utilizes the previous calendar year's Medicaid days from the nursing facilities cost report (e.g. for State fiscal year 2011, the most recently audited cost report as of July 1, 2010, will be used to calculate the Medicaid days). Supplemental payments made to state and county owned nursing homes that provide nursing facility services will be distributed to all nursing facilities within that group based on a previous calendar year's proportionate share of Medicaid days from the nursing facilities cost report compared to the total amount of Medicaid days provided by these state and county owned nursing homes. The State fiscal year 2011 supplemental payments will be distributed based on the most recently audited cost report as of July 1, 2010, Medicaid days. For each succeeding State fiscal year, the State will utilize the most recently audited cost report as of July 1st of the State fiscal year Medicaid days for each nursing facility.

02. SUPPLEMENTAL PAYMENTS FOR PRIVATE NURSING HOME FACILITIES.

Subject to the provisions of this section, eligible providers of Medicaid nursing home facility services shall receive a supplemental payment each state fiscal year. Eligible providers are private nursing home facilities.

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 would have been paid under Medicare payment principles.

The supplemental payments shall not be subject to rules governing payments to nursing home facilities found in IDAPA 16.03.10. However, they shall not exceed the Medicaid upper payment limits (UPL) for private nursing home facility payments. The Medicaid upper payment limit analysis will be performed prior to making the supplemental payments.

The computation of the Medicaid UPL will utilize the latest complete State fiscal year average of daily reimbursement rates for each nursing facility, adjusted to a comparable Medicare level (through the addition of actual facility-specific payments for pharmaceutical, laboratory, X-ray, and add-on payments paid during the same State fiscal year as the rate averaging). The adjusted 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 nursing facility's cost report (e.g. for State fiscal year 2011, the most recently audited cost report as of July 1, 2010, 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).

Supplemental payments made to the private nursing facilities are governed by Idaho Code 56-1511 effective 07/1/11. The State will make annual supplemental payments (based on a yearly calculation) for each State fiscal year based on a calculation that utilizes the previous calendar year's Medicaid days from the nursing facilities cost report (e.g. for State fiscal year 2011, the most recently audited cost report as of July 1, 2010, will be used to calculate the Medicaid days). Supplemental payments made to private nursing homes that provide nursing facility services will be distributed to all nursing facilities within that group based on a previous calendar year's proportionate share of Medicaid days from the nursing facilities cost report compared to the total amount of Medicaid days provided by these private nursing homes. The State fiscal year 2011 supplemental payments will be distributed based on the most recently audited cost report as of July 1, 2010 Medicaid days. For each succeeding State fiscal year, the State will utilize the most recently audited cost report as of July 1st of the State fiscal year Medicaid days for each nursing facility.

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 2011, audited Medicaid cost reports ending in calendar year 2009 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. 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 2012, the cost report ending in calendar year 2010, 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).

Supplemental payments made to the state and ICF/ID's are governed by IDAHO CODE 56-1609 effective 07/01/11. The state will make annual supplemental payments (based on a yearly calculation) for each State fiscal year based on a calculation that utilizes the previous calendar year's audited Medicaid days from the ICF/ID's cost report (e.g. for State fiscal year 2012, cost reports ending in calendar year 2010, will be used to calculate the Medicaid days). Supplemental payments made to ICF/ID's that provide ICF/ID services will be distributed to all ICF/ID's within that group based on the previous calendar year's proportionate share of audited Medicaid days from the ICF/ID's cost report compared to the total amount of audited Medicaid days provided by these ICF/ID's. The state fiscal year 2012 supplemental payments will be distributed based on audited Medicaid days from cost reports ending in calendar year 2009. For each succeeding State fiscal year, the State will utilize the subsequent calendar year audited cost report of the state fiscal year Medicaid days for each ICF/ID.