

NOTICES

DEPARTMENT OF HUMAN SERVICES

Payments for Nursing Facility Services Provided by County Nursing Facilities; County Nursing Facility Safety Net Payments

This announcement provides advance notice that the Department of Human Services (Department) intends to continue to make county nursing facility safety net payments to qualifying county nursing facilities in Fiscal Year (FY) 2019-2020.

Background

In FY 2016-2017 the Department began making safety net payments to qualifying county nursing facilities to recognize and encourage their historical roles as critical safety net providers for the Medical Assistance (MA) population in this Commonwealth. The Department continued those payments in FY 2017-2018 and FY 2018-2019 and intends to continue the payments for FY 2019-2020.

Beginning with FY 2017-2018, the Department modified the criteria to qualify for the safety net payment to exclude those county nursing facilities located in a geographic zone where the Department's managed care program, Community Health Choices (CHC), is in operation during the entire fiscal year. County nursing facilities located in a geographic zone where CHC is not in operation or in operation for only part of the fiscal year continue to be eligible for this payment. The Department intends to maintain the same criteria for FY 2019-2020.

The Department also intends to maintain the same basic payment methodology including providing a payment adjustment for those facilities that will transition to the CHC program during FY 2019-2020. The payment methodology for FY 2019-2020 is as follows:

Proposed Payment

Qualification

To qualify for a safety net payment the facility must be a county nursing facility both during the period for which the payment is being made and at the time the payment is made. **County nursing facilities located in a geographic zone where the CHC program will be in operation for the entire 2019-2020 fiscal year are not eligible for this payment.**

Calculation of Safety Net Payment

The Department will calculate each qualifying county nursing facility's safety net payment by calculating a per diem portion of the payment and a Medicare differential portion of the payment.

A qualifying county nursing facility's total safety net payment is the sum of the two amounts calculated for the facility as adjusted in paragraph c. rounded to the nearest dollar.

a. *Per Diem Portion*

The per diem portion of the safety net payment will be calculated using each qualifying facility's paid MA facility days and therapeutic leave days based on each qualifying facility's paid MA facility days and therapeutic leave days identified in the preliminary annual Medicare upper payment limit demonstration calculated as of October 2, 2018.

Each facility's per diem portion of the safety net payment will be determined by:

(1) Dividing the funds allocated to safety net payments by the total paid MA facility days and therapeutic leave days for all qualifying county nursing facilities and multiplying that amount by 80% to determine a safety net per diem for the rate year.

(2) Multiplying the safety net per diem by the qualifying county nursing facility's paid MA facility days and therapeutic leave days to determine the facility's per diem portion of the safety net payment rounded to the nearest dollar.

b. *Medicare Differential Portion*

The Medicare differential portion of the safety net payment will be determined by:

(1) Calculating for each qualifying county nursing facility the estimated difference between what Medicare would pay for the nursing facility services and what Medicaid would pay for FY 2019-2020 excluding any anticipated safety net payments and prior to any adjustments for the transition to the CHC program as demonstrated in the preliminary annual Medicare upper payment limit demonstration calculated as of October 2, 2018.

(2) Summing the differences calculated in b. (1).

(3) Multiplying the total from b. (2) by 20%.

(4) Multiplying the product calculated in b. (3) by a ratio determined by dividing the difference for each qualifying county nursing facility as determined in b. (1) by the sum of the differences for all qualifying county nursing facilities to establish each facility's Medicare differential portion of the safety net payment rounded to the nearest dollar.

c. *Adjustment for CHC*

For a county nursing facility located in a county in which the CHC program will be in operation for part of FY 2019-2020, the sum of the two amounts calculated for the facility under subsections (a) and (b) will be multiplied by 0.5 to determine a facility's annual safety net payment for FY 2019-2020. This adjustment is necessary to account for the estimated reduction

in MA days of care paid through the MA Fee-for-Service Program due to implementation of the CHC managed care program in the county for half of the fiscal year.

Centers for Medicare & Medicaid Services

The Department will submit a State Plan Amendment (SPA) to the Centers for Medicare & Medicaid Services (CMS). If CMS approves the SPA, the total funds will consist of both State and Federal funding.

Fiscal Impact

The fiscal impact of this change is estimated at \$108.965 million (\$52.031 million in State funds).

Public Comment

Interested persons are invited to submit written comments regarding these payments to the Department of Human Services, Office of Long-Term Living, Bureau of Policy and Regulatory Management, Attention: Marilyn Yocum, P.O. Box 8025, Harrisburg, PA 17105-8025. Comments received within 30 days will be reviewed and considered for any subsequent revision of the notice.

Persons with a disability who require an auxiliary aid or service may submit comments using the Pennsylvania AT&T Relay Service at (800) 654-5984 (TDD users) or (800) 654-5988 (voice users).

TERESA D. MILLER,
Secretary