

NOTICES

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

[47 Pa.B. 1443]

[Saturday, March 4, 2017]

This announcement provides advance notice that the Department of Human Services (Department) intends to make county nursing facility safety net payments to qualifying county nursing facilities in Fiscal Year (FY) 2016-2017.

Background

Historically, the county nursing facilities have served as critical safety net providers for the Medical Assistance (MA) population in this Commonwealth. In this capacity, county nursing facilities admit MA-eligible individuals to their facilities whether the individual is Medicare eligible or has other third-party resources. Also, when compared to other nursing facilities, county nursing facilities have significantly higher overall MA occupancy rates and MA day-one admission rates, and frequently admit individuals with behavioral or other issues who otherwise experience difficulty gaining access to services. The Department depends on county nursing facilities to be available to serve as the default service provider for the MA nursing facility population.

Therefore, to assure county nursing facilities' continued role as safety net providers the Department is establishing a supplemental safety net payment to qualifying county nursing facilities.

Proposed Payment

Qualification:

To qualify for a safety net payment the facility must:

- (1) Be a county nursing facility both during the period for which the payment is being made and at the time the payment is made; and
- (2) If located in a county with a population of less than 70,000 based on the United States Census Bureau (2010 Census Summary File 1; Table GCT-PH1; generated using American FactFinder <http://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml> (October 2016)), have an overall occupancy rate greater than 90% based on the four consecutive quarters reported by the nursing facility as of April 22, 2016 for the Commonwealth Nursing Facility Assessment Program beginning April 1, 2015, and ending March 31, 2016.

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.

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

on the Provider Reimbursement and Operations Management Information System (PROMISE™) data file used to determine the facility's eligibility for disproportionate share incentive payments for the period ending December 31, 2015:

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 county nursing facilities and multiplying that amount by 80% to determine a safety net per diem for the rate year; and

(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 cent.

b. Medicare Differential Portion

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

(1) Calculating for each qualifying nursing facility the estimated difference between what Medicare would pay for the nursing facility services and what Medicaid would pay for FY 2016-2017 excluding any anticipated safety net payments as evidenced in the preliminary annual Medicare upper payment limit demonstration calculated as of February 23, 2016; and

(2) Multiplying that difference by 20% to establish each facility's Medicare differential portion of the safety net payment rounded to the nearest cent.

CMS Approval

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 \$148.342 million (\$71.530 million in State funds).

Public Comment

Interested persons are invited to submit written comments regarding these proposed changes 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).

THEODORE DALLAS,
Secretary

Fiscal Note: 14-NOT-1120. (1) General Fund; (2) Implementing Year 2016-17 is \$71,530,000; (3) 1st Succeeding Year 2017-18 through 5th Succeeding Year 2021-22 are \$0; (4) 2015-16 Program—\$968,083,000; 2014-15 Program—\$810,545,000; 2013-14 Program—\$820,409,000; (7) Long-Term Care; (8) recommends adoption. Funds have been included in the budget to cover this increase.

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