

# NOTICES

## DEPARTMENT OF HUMAN SERVICES

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

[48 Pa.B. 97]

[Saturday, January 6, 2018]

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) 2017-2018.

#### *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 described the eligibility criteria and the methodology to calculate these payments in a notice published at 47 Pa.B. 1443 (March 4, 2017). The Department intends to continue county nursing facility safety net payments for FY 2017-2018.

The criteria to qualify for the payment changed; the population and occupancy requirements were removed. The basic payment methodology remains the same except for modifications necessary to account for the transition to the Department's new managed care program, Community HealthChoices (CHC). The payment methodology for FY 2017-2018 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.

##### *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 on the Provider Reimbursement and Operations Management Information System data file used to determine the facility's eligibility for disproportionate share incentive payments for the period ending December 31, 2016:

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.
- (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 county nursing facility the estimated difference between what Medicare would pay for the nursing facility services and what Medicaid would pay for FY 2017-2018 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 4, 2017.
- (2) Summing the differences calculated in (1).
- (3) Multiplying the total from (2) by 20%.
- (4) Multiplying the product calculated in (3) by a ratio determined by dividing the difference for each qualifying county nursing facility as determined in (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 has been implemented, the sum of the two amounts calculated for a facility under subsections (a) and (b) will be multiplied by 0.5 to determine a facility's annual safety net payment for FY 2017-2018. 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 \$151.722 million (\$73.100 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,  
Acting Secretary

**Fiscal Note:** 14-NOT-1200. (1) General Fund; (2) Implementing Year 2017-18 is \$73,100,000; (3) 1st Succeeding Year 2018-19 through 5th Succeeding Year 2022-23 are \$0; (4) 2016-17 Program—\$1,082,000,000; 2015-16 Program—\$968,083,000; 2014-15 Program—\$810,545,000; (7) Long-Term Care; (8) recommends adoption. Funds have been included in the budget to cover this increase.

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[webmaster@PaBulletin.com](mailto:webmaster@PaBulletin.com)