

## **DEPARTMENT OF SOCIAL SERVICES**

### **Notice of Proposed Medicaid State Plan Amendment (SPA)**

#### **Nursing Facility Reimbursement (SPA 16-024)**

The State of Connecticut Department of Social Services (DSS) proposes to submit an amendment to the Medicaid State Plan to the Centers for Medicare & Medicaid Services (CMS) within the U.S. Department of Health and Human Services.

#### **Changes to Medicaid State Plan**

Effective on or after August 1, 2016, SPA 16-024 will amend the Medicaid State Plan to provide up to \$3,000,000 in additional funding for nursing homes to fund new pensions programs for nursing home workers. This amendment will increase the funding that was made available in SFY 2016 and included in the approved SPA 15-032 under “Part 3” of the nursing home wage and benefit enhancement program.

#### **Fiscal Impact**

DSS estimates that this SPA will increase annual aggregate expenditures by approximately \$2.75 million for State Fiscal Year 2017 and \$3.0 million for State Fiscal Year 2018.

#### **Obtaining SPA Language and Submitting Comments**

The proposed SPA is posted on the DSS web site at this link: <http://www.ct.gov/dss>. Go to “Publications” and then “Updates”. The proposed SPA may also be obtained at any DSS field office and upon request from DSS.

To request a copy of the SPA or to send comments about the SPA, please email: [christopher.lavigne@ct.gov](mailto:christopher.lavigne@ct.gov) or write to: Christopher A. LaVigne, Office of Reimbursement & Certificate of Need, Department of Social Services, 55 Farmington Avenue, Hartford, CT 06105 (Phone: 860-424-5719, Fax: 860-424-4812). Please reference: SPA 16-0024 - Payments to Nursing Facilities.

Anyone may send DSS written comments about this SPA. Written comments must be received at the above contact information no later than July 28, 2016.

State of Connecticut

Methods and Standards for Establishing Payment Rates for Nursing Facilities

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are less than the additional costs identified in Part 2 item A, accounting for implementation date and pro-ration, the Medicaid per diem rate increase shall be adjusted downward, as necessary, to reflect the Medicaid pro-rata portion of the actual cost of wage increases implemented in fiscal year ending June 30, 2016.

The part 3 per diem Medicaid rate add-on shall be determined as follows:

- A. Each participating nursing home shall submit to the commissioner a schedule of additional costs in the wage and benefit categories listed below and the effective date of such wage and/or benefit increases. These costs shall reflect new annualized costs incurred on or after July 1, 2015 for the following:
  1. Implementation of New Pension Plan
- B. The Medicaid utilization rate shall be calculated by dividing the nursing facility's Medicaid days by total days as reported on the facility's 2014 cost report.
- C. For each nursing facility, the costs identified for each item identified in Part 3 items A shall be multiplied by Part 3 item B to calculate the total allowable Medicaid costs.
- D. For each nursing facility, the wage and benefit component identified in Part 3 item C shall be divided by the aggregate sum of all Part 3 item C components for all nursing facilities.
- E. For each nursing facility, the results of component of Part 3 item D shall be multiplied by the available wage and benefit enhancement funding which totals \$5,950,000.
- F. The results of Part3 item E shall be divided by the facility's Medicaid days as reported on the facility's 2014 cost report. This will result in the Medicaid wage and benefit enhancement per diem rate increase. The rate increase related to wage and/or benefit increases will be effective on the first day that the fiscal year 2016 wage and/or benefit enhancement was implemented by the nursing facility.
- G. During the desk review and/or field audit of the nursing facility's 2015, 2016 and 2017 cost reports, which are conducted immediately following the February 15<sup>th</sup> annual submission deadline, if expenditure increases within the wage and benefit categories listed in Part 3 item A are less than the additional costs identified in Part 3 item A, accounting for implementation date and pro-ration, the Medicaid per diem rate increase shall be adjusted downward, as necessary, to reflect the Medicaid pro-rata portion of the actual cost of wage increases implemented in fiscal year ending June 30, 2016.

For the purpose of determining allowable fair rent, a facility with allowable fair rent less than the twenty-fifth percentile of the state-wide allowable fair rent shall be reimbursed as having allowable fair rent equal to the twenty-fifth percentile of the state-wide allowable fair rent, provided for the rate years ending June 30, 1996 and June 30, 1997, the reimbursement may not exceed the twenty-fifth percentile of the state-wide allowable fair rent for the rate year ending June 30, 1995. Beginning with the rate year ending June 30, 1996, any facility with a rate of return on real property other than land in excess of eleven per cent shall have such allowance revised to eleven per cent. Any facility or its related realty affiliate which finances or refinances debt through bonds issued by the State of Connecticut Health and Education Facilities Authority shall after reporting the terms and conditions of such financing or refinancing have the