

**STATE OF RHODE ISLAND
EXECUTIVE OFFICE OF HEALTH AND HUMAN SERVICES**

**7/5/2018 PUBLIC NOTICE OF PROPOSED AMENDMENT TO RHODE ISLAND
MEDICAID STATE PLAN**

In accordance Rhode Island General Laws 42-35, notice is hereby given that the Executive Office of Health and Human Services (EOHHS) proposes to make the following amendment to the Rhode Island State Plan under Title XIX of the Social Security Act:

Nursing Facility Rates

EOHHS is providing public notice of a revision to the financial impact statement contained in the proposed State Plan Amendment that was published on the EOHHS website on Friday, June 29, 2018. EOHHS is seeking the federal authority to increase the Direct Nursing, Other Direct Care, Indirect Care, and Fair Rental Value components of the base per diem rate paid to nursing facilities by 1.5%, effective July 1, 2018, followed by an increase of 1%, effective October 1, 2018. This change would result in an increase of annual expenditures of approximately **\$5 million all funds**. The proposed effective date of this amendment is July 1, 2018.

This proposed amendment is accessible on the EOHHS website (www.eohhs.ri.gov) or available in hard copy upon request (401-462-6348 or RI Relay, dial 711). Interested persons should submit data, views, or written comments by August 5, 2018 to Melody Lawrence, Executive Office of Health and Human Services, 3 West Rd, Cranston, RI, 02920, or Melody.Lawrence@ohhs.ri.gov.

In accordance with the Rhode Island General Laws 42-35-3, an oral hearing will be granted on the proposed State Plan Amendment if requested by twenty-five (25) persons, an agency, or by an association having at least twenty-five (25) members. A request for an oral hearing must be made within thirty (30) days of this notice.

The Executive Office of Health and Human Services does not discriminate against individuals based on race, color, national origin, sex, gender identity or expression, sexual orientation, religious belief, political belief, or handicap in acceptance for or provision of services or employment in its programs or activities.

The property tax component is facility specific, i.e. based on actual property taxes assessed and paid.

Provider Assessment

The provider assessment is an amount equal to 5.82% of the sum of the above components to recognize the state's Provider Assessment Tax. Should the state's 5.5% Provider Assessment Tax rate change, this add-on will be adjusted accordingly. Below is an example of the adjustment to the add-on in the provider tax were to be changed to 4.0%.

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| 1. | Per diem base rate (excl. provider tax): | \$200.00 |
| 2. | Calculate per diem rate with 4.0% tax: | \$200.00 divided by .96 = \$208.33 |
| 3. | Calculate provider tax amount: | \$208.33 minus \$200.00 = \$8.33 |
| 4. | Calculate add-on percent: | \$8.33 divided by \$200.00 = 4.165% |
| 5. | Calculate provider tax add-on: | \$200.00 times 4.165% = \$8.33 |
| 6. | Calculate per diem rate incl. tax: | \$200.00 plus \$8.33 = \$208.33 |

B. Adjustments to Base Rate

Patient Acuity

Recognition of patient acuity in the payment methodology is being incorporated through the use of a RUG-IV case-mix classification system. The case-mix classification system uses clinical data from the MDS assessment to assign a case-mix group to each patient that is then used to adjust a portion of the per diem payment based on patient resource use. (This is similar to how Medicare reimburses for care in a skilled nursing facility.) Each patient will be assigned one of forty-eight (48) RUG categories by the grouper based on his/her MDS record. A patient's MDS record is to be updated every ninety (90) days or in the event of a significant change in condition. Acuity will be based on the patient specific RUG category, i.e. full RUG-based system. The acuity factor (RUG weight) will be applied only to the Direct Nursing Care component.

To allow for necessary modifications to the state's MMIS claims processing system, full implementation of the RUG-based process will be implemented on June 1, 2013. In the interim, a facility specific case mix index was being used.

Price Increases

The components of the base per diem rate will be increased annually, effective October 1 of each year (except in 2015 and in 2017 when no increase will occur, and in 2018, when there will be a 1.5% increase to the base rate effective July 1, 2018, and a 1% increase to the base rate effective October 1, 2018), as follows:

1. Direct Nursing, Other Direct Care, and Indirect Care:
Global Insight/CMS Skilled Nursing Facility Market Basket

2. Fair Rental Value:

TN: 18-009

Supersedes

TN: 17-010

Approved: _____

Effective: July 1, 2018

Global Insight Nursing Home Capital Cost Index

3. Property Taxes:

Facility specific property tax payments

TN: 18-009
Supersedes
TN: 17-010

Approved: _____

Effective: July 1, 2018