

## **PUBLIC NOTICE**

### **Department of Health Services (Medical Assistance Reimbursement of Nursing Homes) State of Wisconsin Medicaid Nursing Facility Payment Plan: FY 11-12**

The State of Wisconsin reimburses Medicaid-certified nursing facilities for long-term care and health care services provided to eligible persons under the authority of Title XIX of the Federal Social Security Act and ss. 49.43 to 49.47, Wisconsin Statutes. This program, administered by the State's Department of Health Services, is called Medical Assistance (MA) or Medicaid. Federal Statutes and regulations require that a state plan be developed that provides the methods and standards for setting payment rates for nursing facility services covered by the payment system. A plan that describes the nursing home reimbursement system for Wisconsin is now in effect as approved by the Centers for Medicare and Medicaid Services (CMS).

The Department is proposing changes in the methods of payment to nursing homes and, therefore, in the plan describing the nursing home reimbursement system. The changes are effective July 1, 2011.

The proposed changes would update the payment system and make various payment-related policy changes. Some of the changes are necessary to implement various budget policies in the Wisconsin 2012-2013 Biennial Budget. Some of the changes are technical in nature; some clarify various payment plan provisions.

The estimated net decrease in annual aggregate expenditures attributable to these changes for skilled nursing homes serving MA residents is approximately \$18,220,112 (All Funds), excluding patient liability.

The proposed changes are being implemented to comply with Wisconsin Statutes governing Medicaid payment systems, particularly s. 49.45 (6m), Wis. Stats. The changes may be modified by later legislative mandates.

The proposed changes are as follows:

1. Modify the methodology to adjust the reimbursement for nursing homes within the parameters of the 2012-2013 Biennial Budget Bill. These parameters are divided into three parts. One will disburse the \$14,569,107 decrease in the budget for Medicaid skilled nursing home funding. A second is a \$332,753 increase for traumatic brain injury programs. The third is a 4.5% increase in rates for members with Developmental Disabilities in institutions. A projected decrease in patient days for this category causes a net decrease for the category of \$3,983,758. These modifications will include adjustments to the maximums, per diems, and other payment parameters in Sections 5.400, 5.500, 5.700, 5.800 and 5.900, the inflation and deflation factors in Section 5.300, and targets in Sections 3.000 and 5.000.

2. Modify references to previous years for descriptive reasons where necessary.
3. Modify the labor factors listed in Section 5.410.
4. Change the dates of the definitions of base cost reporting period, common period, and rate payment year in Sections 1.302, 1.303, and 1.314 to reflect the 2011-2012 period.
5. Modify contact names and addresses.
6. Delete reference to the “9-bed test” in Section 1.512.
7. Delete the 1994 hold-harmless test in Sections 3.721, 3.722, item 1 and 3.760 while re-numbering Section 3.722.
8. Delete Section 4.695 and modify Sections 4.691 and 6.310 to specify that exceptional supplies are included in the ventilator rate in Section 4.691.
9. Clarify the parameters for bed hold in Section 1.510 to exclude billing bedhold for Medicare Part A residents and clarify the bedhold test in 1.512.
10. Modify Sections 2.145, 3.100, 3.122, 5.422, 5.430 and related sections to allow for changing to the MDS 3.0/RUGs IV system and clarify the definition of “all-resident CMI.”
11. Clarify Sections 1.304, 4.401 and 4.501 to exclude restricted use beds from beds used for rate setting.
12. Modify Sections 3.651 and 3.654 for the Exceptional Medicaid/Medicare Utilization Incentive and the Medicaid Access Incentive.
13. Modify Section 5.422 to reflect changes in the “as of” dates.

14. Modify Section 3.775 to reflect a \$1 million increase in supplemental payments.

**Copies of the Proposed Changes:**

Copies of the available proposed changes and proposed rates may be obtained free of charge by writing to:

Division of Long Term Care  
Attention: Nursing Home Medicaid Payment Plan  
P.O. Box 7851  
Madison, WI 53703-7851

or by faxing James Cobb at 608-264-7720.

**Written Comments/Meetings:**

Written comments on the proposed changes may be sent to the Division of Long Term Care, at the above address. The comments will be available for public review between the hours of 7:45 a.m. and 4:30 p.m. daily in Room 550 of the State Office Building, 1 West Wilson Street, Madison, Wisconsin. Revisions may be made in the proposed changes based on comments received. There will also be public meetings to seek input on the proposed plan amendment. If you would like to be sent a public meeting notice, please write to the above address.

Revisions may, also, be made in the proposed changes based on comments received at these forums.