

State of 

Maryland

**MEDICAL CARE POLICY ADMINISTRATION
DEPARTMENT OF HEALTH AND MENTAL HYGIENE**

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**MARYLAND MEDICAL ASSISTANCE PROGRAM
Nursing Home Transmittal No. 162**

July 1, 1999

Nursing Home Administrators

FROM:

Joseph M. Millstone, Director 
Medical Care Policy Administration

NOTE:

Please ensure that appropriate staff members in your organization are informed of the contents of this transmittal.

Emergency Amendments to Nursing Facility Services Regulations

ACTION:

Emergency Regulations

EFFECTIVE DATE:

July 1, 1999 - September 30, 1999

PROGRAM CONTACT PERSON:

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The Maryland Medical Assistance Program has adopted emergency amendments to Regulations .08-.11, .13, and .16 under COMAR 10.09.10 Nursing Facility Services. These amendments will be effective for the period July 1, 1999 through September 30, 1999.

These emergency amendments will maintain current cost containment reimbursement parameters through September 30, 1999, postpone the required recalibration of nursing procedure and activity times and personnel category weights until October 1, 1999 and remove payment in the nursing cost center from the rate paid to nursing home providers for bed hold days associated with acute hospitalization and therapeutic leave. The changes will also revise the payment rate and eliminate cost reporting obligations for providers with less than 1000 days of care in a fiscal year.

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The Program will submit a more comprehensive set of emergency and proposed regulations, effective October 1, 1999, intended to implement significant modifications to the nursing home reimbursement system. The modifications are the result of recommendations from a reimbursement system study group comprised of nursing home and Program representatives.

These emergency amendments, as submitted to be published in the Maryland Register, are attached.

attachments

Title 10

DEPARTMENT OF HEALTH AND MENTAL HYGIENE

Subtitle 09 MEDICAL CARE PROGRAMS

10.09.10 Nursing Facility Services

Authority: Health-General Article, §§2-104(b), 15-103, and 15-105,

Annotated Code of Maryland

.08 Rate Calculation — Administrative and Routine Costs.

A. (text unchanged)

B. The final per diem rate for administrative and routine costs in each reimbursement class is the sum of:

(1) (text unchanged)

(2) An efficiency allowance equal to the lesser of 50 percent (40 percent for the period July 1, 1998 through June 30, 1999) of the amount by which the allowable per diem costs in §B(1) of this regulation are below the maximum per diem rate for this cost center, or 10 percent of the maximum per diem rate for the cost center.

C.-D. (text unchanged)

E. Maximum per diem rates for administrative and routine costs in each reimbursement class shall be established according to the following:

(1) - (4) (text unchanged)

(5) The maximum per diem rate for each reimbursement class shall be 115 percent (114 percent for the period July 1, 1998, through June 30, 1999) of the lowest aggregate indexed current interim per diem cost, from §E(1) of this regulation, which is equal to the aggregate indexed current interim per diem costs associated with at least 50 percent of the paid Medical Assistance days in the reimbursement class.

F.-G. (text unchanged)

.09 Rate Calculation — Other Patient Care Costs.

A. (text unchanged)

B. The final per diem rate for Other Patient Care costs in each reimbursement class is the sum of:

(1) (text unchanged)

(2) An efficiency allowance equal to the lesser of 50 percent (40 percent for the period July 1, 1998 through June 30, 1999) of the amount by which the allowable per diem costs in §B(1) of this regulation are below the maximum per diem rate for this cost center, or 10 percent of the maximum per diem rate for the cost center.

C.-D. (text unchanged)

E. Maximum per diem rates for other patient Care costs in nursing facilities shall be established using the provisions described in Regulation .08E of this chapter except that 120 percent (119 percent for the period July 1, 1998.

through June 30 September 30 , 1999^[,] of the lowest aggregate indexed current interim per diem cost which is equal to the aggregate indexed current interim costs associated with at least 50 percent of the paid Medical Assistance days in the reimbursement class shall be used instead of the percentage expressed in Regulation .08E(5) of this chapter and except that the table of monthly indices listed under Regulation .21 of this chapter shall be used instead of that presented in Regulation .20 of this chapter.

F.-G. (text unchanged)

.10 Rate Calculation — Capital Costs.

A.-K. (text unchanged)

L. The net capital value rental for those facilities which are subject to rate determination under §C of this regulation is determined through the following steps:

(1) - (9) (text unchanged)

(10) The value of net capital from (15) of this regulation shall be multiplied by 0.0911 (~~0.0787~~ for the period July 1, 1998. through June 30 September 30 , 1999) in order to generate the net capital value rental.

M.- R. (text unchanged)

11 Rate Calculation — Nursing Service Costs.

A.-B. (text unchanged)

C. The final Medical Assistance reimbursement for nursing services is the lesser of:

(1) (text unchanged)

(2) The sum of the:

(a) (text unchanged)

(b) Amount of the reimbursements calculated under §B(1) of this regulation multiplied by 0.085 to 0.075 for the period July 1, 1998, through June 30 September 30, 1999), and

(c) - (d) (text unchanged)

D.-F. (text unchanged)

G. The resident-specific standard reimbursement rates shall be determined by the following steps:

(1)-(6) (text unchanged)

(7) Multiply the hourly wages plus benefits applicable to each reimbursement class by procedure and activity times using the weights associated with each personnel category to determine the nursing service unadjusted standard per diem reimbursement rates for each reimbursement class. Current procedure and activity times and personnel category weights are established by the table under Regulation .25B of this chapter, and shall be recalibrated effective

July 1, October 1, 1999, and at least every 5 years after that.

(8)-(9) (text unchanged)

H.-U. (text unchanged)

.13 Cost Reporting

A. - L. (text unchanged)

M. A provider which renders care to a minimal Maryland

Medical Assistance population may not be subject to cost reporting

or field verification requirements for a specified fiscal period when

the following criteria are met:

(1) Provider bills the Program for less than 1,000 Maryland

Medical Assistance days of care during the provider's fiscal period; and

(2) Provider gives notice to the Program within 3 months

after the end of the provider's fiscal period of the intent not to file a cost report for that period.

N. The notice required in §M(2) of this regulation shall include:

(1) An assurance that the provider billed the Program for less than 1,000 days of care in the fiscal period; and

(2) A statement that the provider agrees to accept as final payment the average projected Medical Assistance payment calculated under Regulation .07B(2) of this chapter for each day of care rendered to a Maryland Medical Assistance patient during the fiscal period.

.16 Selected Costs—Allowable.

The following costs are allowable in establishing interim and final per diem payment rates:

A. - B. (text unchanged)

C. Leave of Absence. The department will reimburse at the interim per diem rates for the Administrative and Routine, Other Patient Care, and Capital cost centers, [and at the standard rate for the ADL classification the patient was assigned on the last day the patient was a resident of the facility,] less patient resources for the cost of reserving beds for recipients for therapeutic home visits or participation in State-approved therapeutic or rehabilitative programs, subject to the following conditions:

(1)-(4) (text unchanged)

D. Hospital Leave. The Department will reimburse at the interim per diem rates for the Administrative and Routine, Other Patient Care, and Capital cost centers, [and at the standard rate for the ADL classification the patient was assigned on the last day the patient was a resident of the facility,] less patient resources up to 15 days for the cost of reserving beds for patients hospitalized for an acute condition, subject to the following conditions:

(1)-(5) (text unchanged)

[E. The Department will reimburse at the standard rate for Communicable Disease Care calculated under the provisions of Regulation .11G of this chapter for patients on leave of absence in accordance with the conditions of §C of this regulation, or for patients on hospital leave in accordance with the conditions of §D of this regulation, if the patient was receiving Communicable Disease Care in accordance with Regulation .11S or T of this chapter on the last day the patient was a resident of the facility.]

[F.]E.-[G.]E. (text unchanged)

GEORGES C. BENJAMIN, M.D.

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