

State of 

 Maryland

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

201 WEST PRESTON STREET • BALTIMORE, MARYLAND 21201

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**MARYLAND MEDICAL ASSISTANCE PROGRAM
Nursing Home Transmittal No. 163**

July 1, 1999

Nursing Home Administrators

FROM: Joseph M. Millstone, Director 
Medical Care Policy Administration

NOTE: A BILLING PROCEDURE CHANGE IS INCLUDED IN THIS TRANSMITTAL.

Fiscal Year 2000 Interim Rates
Effective July 1, 1999 - September 30, 1999

Enclosed are Fiscal Year 2000 interim rates for your facility. These rates will be in effect for the first quarter of Fiscal Year 2000. The rates are based on Regulation .07 Payment Procedures - Maryland Facilities under COMAR 10.09.10 Nursing Facility Services.

Rates reflect the emergency amendments which affect the reimbursement parameters in the four cost centers as follows:

- The Administrative/Routine ceilings are maintained at 114 percent of the median.
- The Other Patient Care ceilings are maintained at 119 percent of the median.
- The Administrative/Routine and Other Patient Care efficiency payments are maintained at 40 percent of the difference between the ceilings and the providers costs, for those providers with costs under the ceiling. As before, these payments are limited to 10 percent of the ceiling.
- The allowable profit in the Nursing Cost Center is maintained at 7.5 percent of the nursing service rate.
- The Capital rental rate used to calculate net capital value rental is maintained at 7.87 percent.

Effective July 1, 1999, reimbursement will be revised for bed reservation days for acute hospitalization and therapeutic leave. This per diem payment will not include reimbursement in the nursing cost center. In addition, **bed reservation days must be billed in a different manner. Bed reservation days for acute hospitalization must be billed under procedure code N0005. Bed reservation days for therapeutic leave must be billed under procedure code N0006.** Also, please note that providers are no longer required to send hard copy bed hold documentation with invoices. Documentation must be maintained in the patient's record and be available for review by the Program's Utilization Control Agent.

Please check the provider number at the top of the enclosed rate letter to ensure that you have received the correct data. These interim rates will become effective with payments for services provided on or after July 1, 1999 through September 30, 1999. A copy of these rates should be furnished to your accountant or bookkeeper for setting up your accounts.

All interim rate calculations are based on the cost report data submitted by you for the fiscal year ending any month in 1998 (i.e., fiscal year end dates January 1998 - December 1998). All cost reports have been indexed forward to December 1999 for interim rate calculations. Capital reimbursement is based also on the debt and lease information furnished to Clifton Gunderson L.L.C. Any significant changes in the provider's capital status (e.g., exercise of lease option to purchase) should be reported to Clifton Gunderson L.L.C. immediately.

Nursing Service Cost Center

As mandated by regulation, facilities which did not spend at least 85 percent of their fiscal year 1998 nursing payments will have reduced Fiscal Year 2000 nursing payments. For these providers, page 1 of the rate letter indicates the percentage of standard per diem nursing rates they will receive.

A list of regional standard nursing service rates is attached. These rates are based on the wage survey conducted in January 1999 (100% response). The nursing supplies allowance included in each day of care is \$3.11 per day, an increase of 11.07 percent from Fiscal Year 1999. The supply costs factored into the reimbursement rate for tube feeding and decubitus ulcer care have increased between 4 and 5 percent.

Overall nursing reimbursement has increased in all five regions as follows:

Baltimore Metropolitan	5.08 %
Washington Metropolitan	9.74 %
Non-Metropolitan	8.52 %
Central	3.51 %
Western Maryland	9.54 %

The fringe benefit factors used in setting Fiscal Year 2000 nursing service rates are as follows:

Baltimore Metropolitan	28.39 %
Washington Metropolitan	30.66 %
Non-Metropolitan	25.10 %
Central	23.82 %
Western Maryland	31.65 %

The percentage of the nursing service rate which may be allowed as profit above the provider's costs remains at 7.5 percent of reimbursement, based on standard nursing service rates, for cost settlement purposes.

Administrative/Routine Cost Center

Fiscal Year 2000 ceilings are set at 14 percent of the median day cost.

The ceilings are as follows:

Baltimore Metropolitan	\$44.53
Washington Metropolitan	\$50.88
Non-Metropolitan	\$39.35
Small Facilities	\$45.50

Ceilings increased significantly in all regions. The increases are attributable to a combination of higher median costs and indexing. When compared with the ceilings in effect during Fiscal Year 1999, the percent changes are as follows:

Baltimore Metropolitan	+6.97 %
Washington Metropolitan	+5.78 %
Non-Metropolitan	+8.61 %
Small Facilities	+8.46 %

Efficiency Allowance: 40 percent of the difference between cost and the ceiling, but no more than 10 percent of the ceiling.

Other Patient Care Cost Center

Fiscal Year 2000 ceilings are set at 119 percent of the median day cost.

The ceilings are as follows:

Baltimore Metropolitan	\$16.01
Washington Metropolitan	\$20.33
Non-Metropolitan	\$15.46

Ceilings have increased significantly in all three regions. Again, the increases are due to a combination of higher median costs and indexing. When compared with the ceilings in effect during Fiscal Year 1999, the changes are as follows:

Baltimore Metropolitan	+ 4.44 %
Washington Metropolitan	+ 14.41 %
Non-Metropolitan	+ 8.87 %

Efficiency Allowance: 40 percent of the difference between cost and the ceiling, but no more than 10 percent of the ceiling.

Capital Cost Center

For Fiscal Year 2000 rate setting, facility appraisals were indexed as follows:

<u>APPRAISALS</u>	<u>LAND</u>	<u>BUILDING</u>	<u>EQUIPMENT</u>
Dated March 1996	1.1003	1.0987	1.0313
Dated March 1997	1.0735	1.0668	1.0151
Dated March 1998	1.0453	1.0414	1.0047

The Fiscal Year 2000 appraisal limit increased to \$39,419.05/bed.

The Fiscal Year 2000 equipment allowance is \$3484.10/bed. This amount reflects a small decrease due to the fact that the 9 month Fiscal Year 1999 projected index was larger than the Fiscal Year 2000 one year and 9 month indices combined.

Capital Rental Rate: 7.87%

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Any questions regarding this transmittal or the rates on the enclosed listings should be directed to the Nursing Home Section of the Division of Long Term Care at (410) 767-1444 or 1-800-685-5861 extension 1444.

JMM/seh
Enclosures

cc: Nursing Home Liaison Committee

**FISCAL YEAR 2000 NURSING SERVICE RATES
EFFECTIVE JULY 1, 1999 - SEPTEMBER 30, 1999**

PATIENT CLASSIFICATION OR NURSING PROCEDURE	BALTO	WASH	NON METRO	CENTRAL	WEST MD
LIGHT CARE	33.37	36.57	33.20	32.83	32.34
MODERATE CARE	42.06	46.13	41.83	41.39	40.74
HEAVY CARE	55.01	60.65	54.97	54.37	53.82
HEAVY SPECIAL CARE	55.51	61.21	55.47	54.87	54.31
DECUBITUS ULCER CARE	12.00	12.33	11.09	11.23	10.02
CLASS A SUPPORT SURFACE	22.46	22.46	22.46	22.46	22.46
CLASS B SUPPORT SURFACE	87.88	87.88	87.88	87.88	87.88
COMMUNICABLE DISEASE CARE - LEVEL 1	87.15	94.73	85.05	84.70	81.66
COMMUNICABLE DISEASE CARE - LEVEL 2	147.67	160.52	144.12	143.52	138.38
CENTRAL INTRAVENOUS LINE	45.47	47.19	41.15	40.85	39.27
PERIPHERAL INTRAVENOUS CARE	10.23	10.62	9.26	9.19	8.84
TUBE FEEDING - MEDICARE	17.65	18.16	16.24	16.46	14.58
TUBE FEEDING - MEDICAID	21.34	21.85	19.93	20.15	18.27
VENTILATOR CARE	296.76	302.41	281.69	283.00	267.28
TURNING & POSITIONING	5.02	5.78	5.25	5.15	5.38
OSTOMY CARE	2.96	3.04	2.72	2.76	2.44
AEROSOL OXYGEN THERAPY	2.62	2.70	2.42	2.45	2.17
SUCTIONING	6.23	6.41	5.73	5.81	5.14
INJECTION - SINGLE	2.35	2.42	2.17	2.20	1.94
INJECTIONS - MULTIPLE	4.71	4.85	4.33	4.39	3.89
PATIENT TRANSITION MGMT	16.50	18.20	16.49	16.31	16.15