

## **PUBLIC NOTICE**

**State of Wisconsin  
Department of Health Services  
(Medical Assistance Reimbursement of Skilled Nursing Facilities (SNFs) and Intermediate Care  
Facilities for Individuals with Intellectual Disabilities (ICF-IIDs))  
Wisconsin State Medicaid Plan, Attachment 4.19-D, Methods of Implementation for Wisconsin  
Medicaid Nursing Home Payment Rates:  
July 1, 2017 through June 30, 2018**

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, Wis. Stats.. This program, which is administered by the state's Department of Health Services (Department), is called Medical Assistance (MA) or Medicaid. Federal law requires that a plan be developed by the state and approved by the Centers for Medicare and Medicaid Services (CMS), to prescribe the methods and standards for payment and reimbursement of services covered by the program.

The Department is proposing to comply with s. 49.45 (6m), Wis. Stats, by amending the state plan to address changes in the methods and standards of payment and reimbursement to Medicaid-certified nursing homes. If approved by CMS, changes to the state plan would apply retroactively, with an effective date of July 1, 2017. The estimated net increase in annual aggregate expenditures attributable to these changes is approximately \$17,519,800 AF (\$7,234,100 GPR), excluding patient liability. From this sum, \$5,000,000 AF (\$2,064,700 GPR) will be allocated to increase the amount of the Behavioral and Cognitive Impairment (BEHCI) incentive. The proposed changes to the state plan are as follows:

1. Modify the methodology for the reimbursement of nursing homes and ICF-IIDs within the parameters of 2017-2019 Biennial Budget Bill, which included a 2% rate increase for increased acuity for state fiscal year (SFY) 2018 at nursing homes and 1% for ICF-IIDs, as well as \$5,000,000 AF for the BEH/CI incentive. 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 the targets in Sections 3.000 and 5.000. The methodology will factor in the effect on patient liability of the cost of living adjustment (COLA) increases in Social Security and Supplemental Security Income programs, effective January 1, 2017.
2. Update the Reporting Period and Dates Available in Sections 4.720, 5.421, and 5.422.
3. Modify the labor factors listed in Section 5.410.
4. Change the dates of the definitions of base cost reporting period.
5. Remove the two references to "Resident Living Staff" in Section 2.110
6. Remove Sections 3.810, 3.811, and 3.812, regarding add-ons for separately billable items.
7. Raise the threshold for material adjustments, in Section 4.120, from \$0.05 per day to \$0.50 per day.
8. Modify the definition of fringe benefits in the direct care cost center to include employee vaccinations.
9. Modify contact names, addresses, references to previous years, and correct typographical errors, as necessary.

### **Copies of the Proposed Changes:**

Copies of the proposed changes to the state plan may be obtained free of charge by writing to:

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

**Written Comments/Meetings:**

Written comments on the proposed changes may be sent to the Department's Division of Medicaid Services, 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 B274 of the State Office Building, 1 West Wilson Street, Madison, Wisconsin. The Department will also hold open meetings to seek further input from the public. If you would like to be sent a meeting notice, please write to the above address. The Department may propose further changes to the state plan based on comments received by the public and/or further state or federal legislation.