

PUBLIC NOTICE

Department of Health Services (Medical Assistance Reimbursement of Nursing Homes) State of Wisconsin Medicaid Nursing Facility Payment Plan: July 1, 2021 through June 30, 2022

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 proposed would be effective July 1, 2021 or as otherwise described.

The estimated net increase in annual aggregate expenditures attributable to these changes for skilled nursing homes and intermediate care facilities for individuals with intellectual disabilities (ICF-IIDs) serving MA residents is \$82,034,300 (\$30,474,700 GPR and \$51,559,600 FED, 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 and the parameters of the 2021-2023 biennial budget bill. This notice represents information known as of June 23, 2021. The changes may be modified by later legislative mandates.

The proposed changes are as follows:

1. Modify the methodology within the parameters of 2021-2023 biennial budget bill. These modifications will include adjustments to the targets, maximums, labor factors, and other payment parameters in sections 2.10, 2.21, 2.50, and 3.30.
2. Factor in the effect on patient liability of the cost of living adjustment (COLA) increases in Social Security and Supplemental Security Income programs.
3. Convert the acuity measurement system from Resource Utilization Groups (RUGs) to the Patient Driven Payment Model (PDPM), to align with Medicare payment principles.
4. Convert from a retrospective acuity measurement system in the July 1, 2021 and October 1, 2022 rate quarters to a member-specific acuity payment system using HIPPS codes effective January 1, 2022.
5. Modify the provisions for treatment of small facilities (fifty beds or less), including sections 2.10, 4.10, and 6.10.
6. Modify the provisions for rates for traumatic brain injury units in section 7.02.
7. Modify the methodology to reflect the impacts of COVID-19 on prospective rate-setting, possibly including using costs from different periods.
8. Modify the allocation of property costs to therapy spaces in section 4.30.
9. Restructure the Exceptional Medicaid/Medicare Utilization Incentive (EMMUI) to focus funds on facilities that serve Medicaid residents.

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 Medicaid Services

Bureau of Rate Setting

Attention: Nursing Home Medicaid State Plan

P.O. Box 7851

Madison, WI 53703-7851

Written Comments/Meetings:

Written comments on the proposed changes may be sent to the Division of Medicaid Services, at the above address. 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 be made in the proposed changes based on comments received at these forums.