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MO HEALTHNET DIVISION

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Public Notice of Prospective Reimbursement Plan for Nursing Facility and HIV Nursing Facility Services Reimbursement Rates Methodology

June 28, 2024

Pursuant to Sections 1902(a)13(A) of the Social Security Act and 42 Code of Federal Regulations (CFR) 447.205, which mandate that proposed changes in statewide Medicaid payment methods and standards for setting Medicaid payment rates be published and made available for review and comment, this is to advise that:

1. The Missouri Department of Social Services provides notice of the following:

To ensure efficiency, economy, quality of care, and access, the Missouri Medicaid State Plan (Prospective Reimbursement Plan for Nursing Facility and HIV Nursing Facility Services section) is being amended under State Plan Amendment (SPA) Transmittal Number 24-0019. The current State regulation, 13 CSR 70-10.020, Prospective Reimbursement Plan for Nursing Facility and HIV Nursing Facility Services, is also being amended. The MO HealthNet Division (MHD) is modifying the reimbursement plan for nursing facility and HIV nursing facility services in line with the appropriation authority passed by the Missouri General Assembly for SFY 2025, pending approval by the Governor. This reimbursement change is also contingent upon approval by the Centers for Medicare & Medicaid Services (CMS).

The Draft Proposed Amendment to 13 CSR 70-10.020, Prospective Reimbursement Plan for Nursing Facility and HIV Nursing Facility Services, is attached to the Public Notice and contains the changes summarized below. The same changes will be made to SPA 24-0019. Following are the primary revisions to the reimbursement plan, effective for dates of service beginning July 1, 2024:

- Rebases nursing facility and HIV nursing facility per diem rates using a more current cost report year
- Changes the resident classification system used to determine the case mix index (CMI) from using Resource Utilization Grouping (RUG) to Patient Driven Payment Model (PDPM)
- Updates the value based purchasing (VBP) per diem adjustment
- Provides for a facility size and occupancy rate adjustment

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- Describes process for reviewing information used in determining the case mix index (CMI) and the mental illness diagnosis add-on
- Clarifies data used for determining mental illness diagnosis add-on
- Clarifies capital rate used in the interim rate
- Clarifies when an independent audit is required
- Provides for reviews to be done on minimum data set (MDS) submissions and adjustments to the reimbursement rate based on the MDS reviews

The reimbursement change results in a fiscal impact to nursing facility reimbursement and hospice reimbursement. Hospice reimbursement is impacted because reimbursement for hospice nursing home room and board services is based on the nursing facility per diem rate. Following is the estimated fiscal impact of the proposed amendment:

- Total annual increase in expenditures is approximately \$125.2 million
- Increase to nursing facility reimbursement is approximately \$116.0 million, composed of \$40.0 million state funds and \$76.0 million federal funds
 - Average per diem increase of approximately \$13.50 per day for all nursing facilities is approximately \$106.7 million, composed of \$36.8 million state funds and \$69.9 million federal funds
 - Per diem increase of \$1.17 per day for VBP adjustments is approximately \$9.2 million, composed of \$3.2 million state funds and \$6.0 million federal funds
- Increase to hospice nursing home room and board is approximately \$9.2 million, composed of \$3.2 million state funds and \$6.0 million federal funds

2. Comments may be sent by regular mail, express or overnight mail, in person or by courier within thirty (30) days after publication of this notice and must be sent or delivered to the following address:

MO HealthNet Division
615 Howerton Ct., 2nd Floor
Jefferson City, MO 65109
Attention: Rebecca Rucker

Comments may also be emailed to Ask.MHD@dss.mo.gov. Please use “Public Comment for Prospective Reimbursement Plan Nursing Facility and HIV Nursing Facility Services” in the subject line. Comments must be received by **July 28, 2024**.

3. A copy of the proposed reimbursement methodology is available for public review by going to any Family Support Division Office or by contacting the Department of Social Services, MO HealthNet Division at Ask.MHD@dss.mo.gov. These documents also may be viewed online at <https://dss.mo.gov/mhd/alerts~public-notice.htm>
4. No public hearing will be held.