



STATE OF WASHINGTON
DEPARTMENT OF SOCIAL AND HEALTH SERVICES
Aging and Long Term-Support Administration
Management Services Division
PO Box 45600, Olympia, WA 98504-5600

August 3, 2016

ALTSA: NH Rates #2016-003

RE: JULY 2016 MEDICAID RATES REVISION FOR NURSING HOMES

Dear Nursing Facility Administrator:

The July 1, 2016 *Revised* Medicaid payment rate for your facility is enclosed.

There is a Budget Proviso in 2ESHB 2376 that modifies the Low RUG score reduction. In the past the payments for residents in the 10 RUG classifications PA through PE were reduced by 13%. For FY17 we had anticipated per the budget proviso that the payments for residents in the 5 RUG classifications PA through PC1 would be reduced by 13%. However, the Department will now also be fully funding residents scored at a PA1 – PB2 with behaviors and PC1. This means that the only RUG scores that will be reduced in your rate are PA1 – PB2 with no behaviors.

The following bullet points were outlined in your previous rate letter and should still be followed.

- A facility must notify state case managers if a resident is identified as a PA1 through PC1 resident.
- During SFY17, facilities shall work collaboratively with the Department to find community alternate settings for 96 residents classified PA1 through PC1 who are willing to transition into other community alternatives. Should the Department determine facilities are not making sufficient progress by the end of the first two quarters of FY17, the 13% reduction will raise to 20% for the lowest 4 RUG classifications PA1 through PB2.

This revision does not affect any other information previously stated in the letter dated June 30, 2016.

The July 1, 2016 Medicaid payment rate is subject to administrative review in accordance with WAC 388-96-901 and 388-96-904. To appeal this rate, you must submit a request in writing within twenty-eight (28) calendar days after receiving this notice of the rate.

The Department calculated your facility's July 1, 2016 adjusted rate using your facility's Medicaid Average Case Mix Index (with defaults) from the 1 Semiannual 2016 Final Case Mix RUG Report (10/1/2015 through 3/31/2016) MDS 3.0 RUG IV Grouper 57.

If you wish to request an administrative review conference in relation to your July 1, 2016 rate, please keep in mind WAC 388-96-904, the regulation that controls such requests. The regulation provides in part:

- (1)...The contractor's request for administrative review shall:
 - (a) Be signed by the contractor or by a partner, officer, or authorized employee of the contractor;
 - (b) State the particular issues raised; and
 - (c) Include all necessary supporting documentation or other information.
- (2) After receiving a request for administrative review conference that meets the criteria in subsection (1) of this section, the Department shall schedule an administrative review conference. The conference may be conducted by telephone.
- (3) At least fourteen calendar days prior to the scheduled date of the administrative review conference, the contractor must supply any additional or supporting documentation or information upon which the contractor intends to rely in presenting its case. In addition, the Department may request at any time prior to issuing a determination any documentation or information needed to decide the issues raised, and the contractor must comply with such a request within fourteen calendar days after it is received... The Department shall dismiss issues that cannot be decided or resolved due to a contractor's failure to provide requested documentation or information within the required period.
(emphasis added)

The Department will enforce this regulation in responding to requests for administrative review. Requests that are not properly signed, that do not state the issues with particularity, or that are not supported by the required documentation or information, will be denied or dismissed. Mail your appeal to the Office of Rates Management at: P.O. Box 45600, Olympia, WA 98504-5600. Do not mail your appeal to our physical address. Ground carriers such as UPS and FedEx can deliver to the physical address of Blake West 4450 10th Ave SE, Lacey, WA 98503, but the Post Office will not.

If proof of the date of receipt of the Department's rate notification letter exists, then that date shall be used to determine the timeliness of your request for an administrative review conference. If there is no proof of the date of receipt of the Department's rate notification letter, then you will be deemed to have received notice by August 8, 2016 in accordance with WAC 388-96-904 (1).

Please note that the foregoing description is given as a courtesy only. It is not intended as a complete description of the provisions of the operating budget and the other legislation, and you may not rely on it. You may find the laws, their legislative history, and their legislative reports at the Legislature's website, and I encourage you to review them. Each facility and contractor is responsible for understanding all relevant laws.

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If you have questions about your rate, please contact your analyst. The facility/analyst list is available on our website at <https://www.dshs.wa.gov/altsa/management-services-division/nursing-facility-cost-reports>.

Sincerely,

A handwritten signature in black ink, appearing to read 'Peter Graham', with a long horizontal flourish extending to the right.

Peter Graham, Chief
Office of Rates Management

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cc: Interested Parties