



STATE OF WASHINGTON
DEPARTMENT OF SOCIAL AND HEALTH SERVICES
AGING AND DISABILITY SERVICES ADMINISTRATION
PO Box 45600 * Olympia, WA 98504-5600

January 30, 2013

ADSA: NH # 2013-001
RE: FEBRUARY 1, 2013 ADJUSTED MEDICAID PAYMENT RATE

Dear Nursing Home Administrator:

The February 1, 2013 Medicaid payment rate for your facility is enclosed.

February 1, 2013 rates are based on January 1, 2013 rates, with two modifications:

First, the Safety Net Assessment (SNA) add-on to reimburse facilities for the SNA paid in relation to Medicaid residents has been changed to reflect the February 1, 2013 increase in the upper level of the SNA. As of February 1, the upper level of the SNA increases from \$13.00 to \$14.00; the SNA add-on changes by the same amount. The lower level of the SNA remains at \$1.00.

Second, there is a change in the performance payment to facilities that reported direct care staff turnover of 75% or less. This payment, and the corresponding 1% reduction applied to facilities whose turnover rate exceeded 75%, was begun with the July 1, 2010 rates. The Legislature directed that this payment be redistributive – that is, that the performance payments to lower-turnover facilities be funded solely by the reductions to higher-turnover facilities.

The Department has calculated that the payment of \$0.08 to lower-turnover facilities has been higher than it should have been, when measured against the reductions to higher-turnover facilities. If this situation were allowed to continue, the amounts of the performance payments to lower-turnover facilities would exceed the amounts of the reductions to higher-turnover facilities, when measured over the entire state fiscal year. To prevent that, the performance payments will be reduced from \$0.08 to \$0.04 for the period from February 1 to June 30, 2013. The reduction paid by higher-turnover facilities will not change. By the end of the state fiscal year on June 30, 2013, the total of performance payments and the total of reductions should be in balance. The result will be what the Legislature intended – that is, the performance payments will be completely funded by the reductions. The only difference will be that the lower-turnover facilities will have received their payments on a somewhat accelerated schedule. The higher-turnover facilities will have incurred the reductions over the whole year. The amounts of the payments and of the reductions will be as the Legislature directed; it is only the timing of the payments that will be somewhat affected.



If a timely appeal of your July 1, 2012 or January 1, 2013 rate is pending, when it is resolved any changes made to adjustments because of this appeal will be brought forward to the facility's February 1, 2013 adjusted rate.

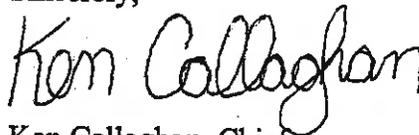
If you wish to request an administrative review conference in relation to your February 1, 2013, or any subsequent adjusted rate, please keep in mind WAC 388-96-904, the regulation that controls such requests. The regulation provides in part:

- (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 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 the address above.

I encourage you to contact your analyst if you have questions about your rate.

Sincerely,



Ken Callaghan, Chief
Office of Rates Management

Enclosure