



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

July 1, 2013

ADSA: NH Rates #2013-002
RE: JULY 2013 MEDICAID RATES FOR NURSING HOMES AND
2012 EXAMINATION ADJUSTMENTS

Dear Nursing Facility Administrator:

The July 1, 2013 Medicaid payment rate for your facility is enclosed. In creating the rate computation worksheet, the Department used wording and calculation descriptions as similar as possible to that used in prior rate settings to facilitate your review. Note that the July 1, 2013 non-capital component rates are still based on the 2007 cost report information. 2011 was to have been a rebase year, but the Legislature acted to postpone that; see HB 2042, described below. Instead, the Legislature has said that the next rebase of non-capital components will be for rates beginning July 1, 2015, which will be rebased to the 2013 cost report.

The July 1, 2013 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 desk examination summary and Reason Codes for the 2012 Medicaid cost report are also enclosed and subject to administrative review in accordance with WAC 388-96-901 and 388-96-904. Also enclosed is your facility's depreciation schedule. To appeal these adjustments, you must submit a request in writing within twenty-eight (28) calendar days after receiving this notice of the adjustments.

The Department calculated your facility's July 1, 2013 adjusted rate using your facility's Medicaid Average Case Mix Index (with defaults) from the January 1, 2013 rate. To allow for the transition to MDS 3.0 and RUG IV, this MACMI is to be used through June 30, 2015, increased by .5% every six months.

If you wish to request an administrative review conference in relation to your July 1, 2013 rate or to the desk examination of the 2012 cost report, 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.

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(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 of Blake West 4450 10th Ave SE, Lacey, WA 98503. Ground carriers such as UPS and FedEx can deliver to the physical address, 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 July 8, 2013 in accordance with WAC 388-96-904 (1).

In its second special session, the Legislature made several changes to the Medicaid nursing facility rate methodology. As noted, the previously scheduled rebase for non-capital rates was postponed for two years. The "comparative analysis" and "acuity" add-ons were retained. The .5% automatic increase to the MACMI every six months has been retained. We would also refer you to Sec. 206 of the state's operating budget. We would ordinarily give you the correct legal citation to the bill amending Ch. 74.46 RCW, and to the operating budget. However, at the time this letter was finalized, the legislation had not been given formal chapter numbers. The policy bill is HB 2042, while the operating budget is Striking Amendment S-3053 to 2ESSB 5034.

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 or exam, please contact your analyst. The facility/analyst list is available on our website.

Finally, a reminder to those facilities that pay the Safety Net Assessment: the two levels of the SNA - \$14.00 and \$1.00 – remain unchanged for July 1. The SNA levels may be changed later in the fiscal year. If they are, the normal notice requirements will be observed.

Sincerely,



Ken Callaghan, Chief
Office of Rates Management

Enclosures

cc: Interested Parties