

# Office of Rates Management | March 2021

## CAPITAL ADD-ON RATE FOR ASSISTED LIVING FACILITIES

### Background

The Office of Rates Management in the Management Services division of ALTA sets Capital Add-On Rate for Assisted Living Facilities each July 1.

Once set, these rates will be active through Washington State's fiscal year (July 1 – June 30). Providers qualify for Capital Add-On Rate at the July 1 rate setting if their facility meets the criteria of 60% Medicaid occupancy during the Qualification Period.

*Capital Add-On Rate is a facility-specific rate component used to incentivize providers to serve Medicaid clients in Assisted Living Facilities.*



#### Medicaid Days

Medicaid Days is taken from ProviderOne claims data to assess the total number of Assisted Living days for clients whose services are covered by Medicaid



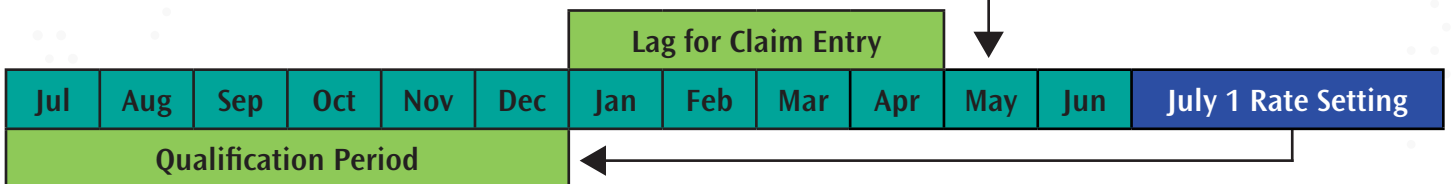
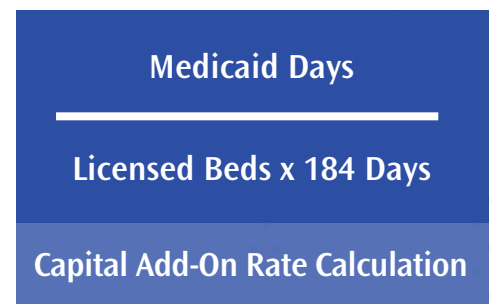
#### Licensed Beds

DSHS Facilities Management System (FMS) is used to establish Licensed Beds, regardless of use, including 'Stand-by Beds'



#### Qualification Period

The Qualification Period for calculating Capital Add-On Rate for July 1 is the previous July 1 through December 31 (184 Days)



Sample Assisted Living Facility has 60 Licensed Beds. All 60 beds were licensed for the full Qualification Period, or 184 days.

60 Licensed Beds x 184 Days = **11,040 Total Possible Bed Days**



ProviderOne Claims for the Qualification Period are analyzed on April 30th for Sample Assisted Living Facility.

The total number of paid Assisted Living claim days, including PACE, within the Qualification Period = **6,992 Paid Medicaid Days**



Paid Medicaid Days are divided by the Total Possible Bed Days & Converted to a Medicaid Occupancy Percentage

6,992 Paid Medicaid Days  
11,040 Total Bed Days x 100%  
= **63% Medicaid Occupancy**

## FREQUENTLY ASKED QUESTIONS

1

### **How will I know if I qualified for the add-on?**

The list of providers that qualify for Capital Add-On Rate can be found on the Office of Rates Management website. HCS also sends this list via email as soon as it is available each year.

2

### **We have 60 licensed beds, but 10 are on stand-by. Will 60 or 50 beds be used for our Capital Add-On Rate Calculation?**

The Capital Add-On Rate calculation will use 60 beds. The Office of Rates Management is required by RCW to use total licensed beds to calculate Medicaid occupancy. Information regarding stand-by beds can be found in WAC 388-78A-2800.

3

### **What if my facility had a change of ownership?**

The facility may not show up on the original Capital Add-On Rate list. The Office of Rates Management will need to be made aware of this and hand tabulate Medicaid occupancy for these providers.

4

### **I believe that my facility qualified, but I don't see it on the list. What should I do?**

Have your case manager reach out to the Residential Policy Program Manager with HCS to review your Licensed Beds in FMS and Paid Claims in ProviderOne (as of June 30th). Then have your case manager contact the ORM as needed.

5

### **On Jan. 1st, my facility served 100% Medicaid clients. We maintained that occupancy level through June 30th. Why don't we qualify for Capital Add-On Rate for the July 1st rate setting?**

The parameters of the Capital Add-On Rate are established in RCW 74.39A.320 & WAC 388-105-0035. ALISA does not have the authority to act outside of the structures outlined within these codes.