



Exempt Action Final Regulation Agency Background Document

Agency name	DEPT OF MEDICAL ASSISTANCE SERVICES
Virginia Administrative Code (VAC) citation	12 VAC 30-70, 12 VAC 30-80, 12 VAC 30-90
Regulation title	Methods And Standards For Establishing Payment Rates - Inpatient Hospital Services; Methods And Standards For Establishing Payment Rates; Other Types Of Care; Methods And Standards For Establishing Payment Rates For Long-Term Care
Action title	2013 Budget Reimbursement Changes
Final agency action date	
Document preparation date	

When a regulatory action is exempt from executive branch review pursuant to § 2.2-4002 or § 2.2-4006 of the Virginia Administrative Process Act (APA), the agency is encouraged to provide information to the public on the Regulatory Town Hall using this form.

Note: While posting this form on the Town Hall is optional, the agency must comply with requirements of the Virginia Register Act, Executive Orders 14 (2010) and 58 (1999), and the *Virginia Register Form, Style, and Procedure Manual*.

Summary

Please provide a brief summary of all regulatory changes, including the rationale behind such changes. Alert the reader to all substantive matters or changes. If applicable, generally describe the existing regulation.

The Department of Medical Assistance Services (DMAS) shall implement rate changes effective July 1, 2013, affecting many providers as required by the 2013 Appropriation Act.

The state regulations that are affected by this action are:

12VAC30-70-291 (Payment for indirect medical education costs), 12VAC30-70-301 (Payment to disproportionate share hospitals), 12VAC30-80-190 (State agency fee schedule for RBRVS), 12VAC30-90-30 (Plant cost), 12VAC30-90-36 (Nursing Facility Capital Payment Methodology), 12VAC30-90-37 (Calculation of FRV per diem rate for capital; calculation of

FRV rental amount; change of ownership), 12VAC30-90-40 (Operating cost), and 12VAC30-90-60 (Interim rate).

Reimbursement Changes Affecting Inpatient Hospital Services (12VAC 30-70)

12VAC30-70-291 is being amended to calculate an Indirect Medical Education (IME) factor for Virginia freestanding children’s hospitals with greater than 50 percent Medicaid utilization in 2009. Total payments for IME in combination with other payments for freestanding children’s hospitals with greater than 50 percent Medicaid utilization in 2009 may not exceed the federal uncompensated care cost limit that disproportionate share hospital payments are subject to. This change is mandated to comply with Item 307.OOOO of the 2013 Appropriation Act.

12VAC30-70-301 is being amended to eliminate rebasing for hospital Disproportionate Share Hospital (DSH) payments in FY 2014 and shall freeze DSH at the payment levels for FY 2013 eligible. This change is mandated to comply with Item 307.DDDD of the 2013 Appropriation Act.

Reimbursement Changes Affecting Nursing Facilities (12 VAC 30-90)

12VAC30-90-30, 12VAC30- 90-36, 12VAC30-90-37, 12VAC 30-80-40, and 12VAC30-90-60 are being amended to change the nursing facility capital occupancy percentage requirement from 90 percent to 88 percent effective for dates of service on or after July 1, 2013. 12VAC30-90-264 is also being amended to implement the change in the occupancy percentage requirement and to restore language that was inadvertently deleted in a prior regulatory package. This change is mandated to comply with Item 307.CCCC of the 2013 Appropriation Act.

Statement of final agency action

Please provide a statement of the final action taken by the agency including (1) the date the action was taken, (2) the name of the agency taking the action, and (3) the title of the regulation.

I hereby approve the foregoing Agency Background Summary with the attached amended regulations, 12VAC30-70-291, 12VAC30-70-301, 12VAC30-80-190, 12VAC30-90-30, 12VAC30-90-36, 12VAC30-90-37, 12VAC30-90-40, 12VAC30-90-60 and 12VAC30-90-264 ; 2013 Reimbursement Changes and adopt the action stated therein. I certify that this final exempt regulatory action has completed all the requirements of the Code of Virginia § 2.2-4012.1, of the Administrative Process Act.

Date

Cynthia B. Jones, Director

Dept. of Medical Assistance Services

Family impact

Assess the impact of this regulatory action on the institution of the family and family stability.

These changes do not strengthen or erode the authority or rights of parents in the education, nurturing, and supervision of their children; nor encourage or discourage economic self-sufficiency, self-pride, and the assumption of responsibility for oneself, one's spouse, and one's children and/or elderly parents. It does not strengthen or erode the marital commitment, but may decrease disposable family income depending upon which provider the recipient chooses for the item or service prescribed.