



Last Updated: 05/20/2022

## Hospital Reimbursement - Effective July 1, 2021

**This memorandum notifies hospitals about reimbursement for state fiscal year 2022 (SFY22)**

### **Hospital Inflation Adjustment**

In accordance with Chapter 12 of the Virginia Administrative Code (VAC) Section 30-70-351(A), the current year inpatient and outpatient rates for acute care, freestanding psychiatric hospitals, and inpatient rehabilitation hospitals will receive an inflation adjustment for SFY22. The inflation for State Fiscal Year (SFY) 2022 is 3.1% however, after correcting for previous inflation projections as required by regulations, there will be a 1.2% inflation adjustment.

### **Inpatient Hospital Capital Reimbursement**

In accordance with 12VAC 30-70-271(B)(6), inpatient capital percentages reflect 71% of costs for Type Two hospitals (76% for CHKD), 96% of costs for Type One hospitals, and 100% for Critical Access Hospitals. The capital percentages have been revised consistent with fee-for-service (FFS) cost reports with fiscal year ending in SFY20, which are the most recently available. Inpatient capital reimbursement will be cost settled for FFS. The new capital percentages will be effective for claims with dates of service on or after July 1, 2021 and are posted on the DMAS website.

### **Quarterly Lump Sum Reimbursement: DSH/IME/GME**

Payment of the Disproportionate Share Hospital (DSH) adjustment, Indirect Medical Education (IME), and Graduate Medical Education (GME) is separate from inpatient and outpatient claim payments. These payments receive the 1.2% inflation adjustment for FY22. Payments are made as lump sum amounts at the end of each quarter. Payments for the fourth quarter will be made at the beginning of the next state fiscal year.

Lump sum payment amounts will be posted on the DMAS website no later than August 30, 2021, for Type Two hospitals, except for CHKD. Lump sum payment amounts for CHKD and Type One hospitals will be posted on the DMAS website no later than September 30, 2021.

### ***Disproportionate Share Hospital (DSH) Payment***

In accordance with 12VAC 30-70-301(A), DSH payments are fully prospective amounts determined in advance of the state fiscal year to which they apply and are not subject to revision except for the application of limitations determined at cost settlement. In addition to meeting the 14% Medicaid utilization requirement in the DSH base year (i.e., cost reports with fiscal year ending in FY19), DSH hospitals must also meet the obstetric staff requirements or one of the regulatory exceptions. Any DSH hospital that eliminates obstetric services must promptly notify DMAS.



# MEDICAID BULLETIN

## ***Indirect Medical Education (IME)***

In accordance with 12VAC 30-70-291(A), prospective IME percentages for SFY22 have been calculated using the most recent resident and intern to bed ratios from cost reports with fiscal year ending in SFY20. IME payments will be cost settled based on the hospital's FFS and MCO operating costs. Prospective IME percentages and the interim annual IME payments will be posted on the DMAS website.

In accordance with Item 313.IIIIII of the 2021 Appropriation Act, DMAS has adjusted the formula for IME reimbursement for managed care discharges for freestanding children's hospitals with greater than 50 percent Medicaid utilization in 2009 by increasing the case mix adjustment factor to 2.718. This increased case mix index (CMI) factor shall take precedence over future rebasing. 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 DSH payments are subject to.

## ***Graduate Medical Education (GME)***

In accordance with 12VAC 30-70-281(B), GME costs for interns and residents are reimbursed on a per-resident basis for Type Two hospitals. The annual interim GME payment reflects the most recently available hospital-reported number of interns and residents along with estimated nursing and paramedical education costs. GME payments for interns and residents will be settled based on the actual number of full-time equivalent (FTE) interns and residents, as reported on the hospital's annual cost report. Type One hospitals are reimbursed cost for interns and residents. GME payments for nursing and paramedical education costs will be cost settled. Interim GME payments will be posted on the DMAS website.

## **SFY 2022 Rate Notification**

All hospital rates and rate parameters as well as lump sum payment amounts will be posted on the DMAS website at: <https://www.dmas.virginia.gov/media/3380/419b-payment-rates-other-types-of-care-general.pdf> and will be considered official notification. DMAS will post rates from the last hospital rebasing year through the current state fiscal year as well as a log of any updates or revisions during the year.

## **Payments for Primary Care and High-Need Specialty Residents for Underserved Areas**

Item 313.BBB(1) of the 2021 Virginia Appropriations Act authorizes DMAS to award twenty-five (25) new residency payments beginning in SFY22. Hospitals with residency programs that began in prior state fiscal years must certify, no later than June 1, 2021, that the residency programs continue to meet DMAS requirements. Payments follow the same quarterly schedule as other lump sum payments.

For questions about hospital reimbursement, please contact the DMAS help line at 1-800-552-8627.

\*\*\*\*\*



# MEDICAID BULLETIN

## **PROVIDER CONTACT INFORMATION & RESOURCES**

<p><b>Virginia Medicaid Web Portal Automated Response System (ARS)</b> Member eligibility, claims status, payment status, service limits, service authorization status, and remittance advice.</p>	<p><a href="http://www.viriniamedicaid.dmas.virginia.gov">www.viriniamedicaid.dmas.virginia.gov</a></p>
<p><b>Medicall (Audio Response System)</b> Member eligibility, claims status, payment status, service limits, service authorization status, and remittance advice.</p>	<p>1-800-884-9730 or 1-800-772-9996</p>
<p><b>KEPRO</b> Service authorization information for fee-for-service members.</p>	<p><a href="https://dmas.kepro.com/">https://dmas.kepro.com/</a></p>
<p><b>Provider Appeals</b> DMAS is launching an appeal portal in late May 2021. You can use this portal to file appeals and track the status of your appeals. Visit the website listed for appeal resources and to register for the portal.</p>	<p><a href="https://www.dmas.virginia.gov/#/appealsresources">https://www.dmas.virginia.gov/#/appealsresources</a></p>
<p><b>Managed Care Programs</b> Medallion 4.0, Commonwealth Coordinated Care Plus (CCC Plus), and Program of All-Inclusive Care for the Elderly (PACE). In order to be reimbursed for services provided to a managed care enrolled individual, providers must follow their respective contract with the managed care plan/PACE provider. The managed care plan may utilize different guidelines than those described for Medicaid fee-for-service individuals.</p>	
<p><b>Medallion 4.0</b></p>	<p><a href="http://www.dmas.virginia.gov/#/med4">http://www.dmas.virginia.gov/#/med4</a></p>
<p><b>CCC Plus</b></p>	<p><a href="http://www.dmas.virginia.gov/#/cccplus">http://www.dmas.virginia.gov/#/cccplus</a></p>
<p><b>PACE</b></p>	<p><a href="http://www.dmas.virginia.gov/#/longtermprograms">http://www.dmas.virginia.gov/#/longtermprograms</a></p>
<p><b>Magellan Behavioral Health</b> Behavioral Health Services Administrator, check eligibility, claim status, service limits, and service authorizations for fee-for-service members.</p>	<p><a href="http://www.MagellanHealth.com/Provider">www.MagellanHealth.com/Provider</a> <a href="#">For credentialing and behavioral health service information, visit:</a> <a href="http://www.magellanofvirginia.com">www.magellanofvirginia.com</a>, email: <a href="mailto:VAProviderQuestions@MagellanHealth.com">VAProviderQuestions@MagellanHealth.com</a>, or Call: 1-800-424-4046</p>
<p><b>Provider HELPLINE</b> Monday-Friday 8:00 a.m.-5:00 p.m. For provider use only, have Medicaid Provider ID Number available.</p>	<p>1-804-786-6273 1-800-552-8627</p>
<p>Aetna Better Health of Virginia</p>	<p><a href="http://www.aetnabetterhealth.com/Virginia">www.aetnabetterhealth.com/Virginia</a> 1-800-279-1878</p>
<p>Anthem HealthKeepers Plus</p>	<p><a href="http://www.anthem.com/vamedicaid">www.anthem.com/vamedicaid</a> 1-800-901-0020</p>



Department of Medical Assistance Services  
600 East Broad Street  
Suite 1300  
Richmond, VA 23219

<https://dmas.virginia.gov>

# MEDICAID BULLETIN

Magellan Complete Care of Virginia	<a href="http://www.MCCofVA.com">www.MCCofVA.com</a> 1-800-424-4518 (TTY 711) or 1-800-643-2273
Optima Family Care	1-800-881-2166 <a href="http://www.optimahealth.com/medicaid">www.optimahealth.com/medicaid</a>
United Healthcare	<a href="http://www.Uhcommunityplan.com/VA">www.Uhcommunityplan.com/VA</a> and <a href="http://www.myuhc.com/communityplan">www.myuhc.com/communityplan</a> 1-844-752-9434, TTY 711
Virginia Premier	1-800-727-7536 (TTY: 711), <a href="http://www.virginiapremier.com">www.virginiapremier.com</a>