



Last Updated: 07/13/2022

Nursing Facility and Specialized Care Rate Updates Effective July 1, 2021

The purpose of this bulletin is to inform you of updates for nursing facility price-based rates and specialized care rates effective July 1, 2021. Nursing facility rates have been updated in accordance with 12VAC30-90-44, including an inflation adjustment of 5.9%. Other nursing facility rate updates are: adjustment factor increases, operating rate increases for special populations, modify capital rate for hospital-based nursing facilities that build a replacement facility in a new location, sunseting COVID-19 add-on payment, and Metropolitan Statistical Area (MSA) changes. Specialized care rates effective July 1, 2021 are inflated by 5.9% in accordance with Item 313.LLLL.

Nursing Facility Rates

In accordance with 12VAC30-90-44, direct and indirect operating components of the price-based nursing facility rates have been updated to receive full inflation for SFY 2022. Capital or Fair Rental Value (FRV) rates for freestanding nursing facilities are calculated in accordance with 12VAC30-90-36 using the settled FRV Calendar Year (CY) 2020 report. Reimbursement for plant costs for hospital-based nursing facilities is based on depreciation from cost reports with provider fiscal years ending in CY2019. Rates for Nurse Aid Training and Competency Evaluation Programs (NATCEP) are based on cost per day from cost reports with provider fiscal years ending in CY2018 and inflated to the current rate year. Rates for Criminal Records Checks (CRC) are based on cost per day from cost reports with provider fiscal years ending in CY2018 and are not inflated.

Increase Adjustment Factors for Price-Based Direct and Indirect Operating Rates

For rates on or after July 1, 2021, the nursing facility price-based adjustment factor shall be increased in accordance with Item 313.GGGG of the 2021 Virginia Acts of Assembly. The direct adjustment factor is increased from 106.8% to 109.3%, and the indirect adjustment factor is increased from 101.3% to 103.3%.

Increase Operating Rates for Nursing Facilities with Special Populations

Effective on or after July 1, 2021, nursing facilities with special populations shall have their direct and indirect operating rates increased from 15% to 25.4% above the calculated nursing facility price-based rate. Nursing facilities with special populations must have at least 80 percent of the resident population have one or more of the following diagnoses: quadriplegia, traumatic brain injury, multiple sclerosis, paraplegia, or cerebral palsy. In addition, a qualifying facility must have at least 90 percent Medicaid utilization and a case mix index of 1.15 or higher in fiscal year 2014. This rate adjustment is in accordance with Item 313.KKKK of the 2021 Virginia Acts of Assembly.

Modify Capital Reimbursement for Facilities that Build a Replacement Facility in a New Location

Effective July 1, 2021 nursing facilities that lose their status as a hospital-based nursing facility



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because a replacement hospital was built in a different location and Medicare rules no longer allow the nursing home's cost to be included on the hospital cost report shall have the first FRV rate set at the Maximum FRV rate for free-standing nursing facilities. The effective date of the FRV rate shall be set to the date the replacement hospital is licensed.

MSA and Peer Group Changes

The Centers for Medicare and Medicaid Services (CMS) updated area wage regions for nursing facilities in fiscal year (FY) 2021. In accordance with 12VAC30-90-44 Section 8, any changes to peer group assignment based on changes in bed size or MSA will be implemented for reimbursement purposes the July 1 following the effective date of the change. Floyd County, Buckingham County, and Caroline County were removed as MSA localities. King and Queen County, Southampton County, and Madison County were added as MSA localities. Affected facilities and their peer group reassignment can be found in the table below.

FACILITY NAME	NPI	ORIGINAL		NEW	
		DIRECT PEER GROUP (SFY21)	INDIRECT PEER GROUP (SFY21)	DIRECT PEER GROUP (SFY22)	INDIRECT PEER GROUP (SFY22)
MFA - COURTLAND HCC	1003829359	Rural2	Rural2	Urban4	Urban4
HERITAGE HALL-DILLWYN	1144211251	Urban4	Small	Rural1	Small
AUTUMN CARE MADISON	1194701888	Rural1	Rural1	Urban3	Urban3
MFA - BOWLING GREEN HC	1629181557	Urban4	Urban4	Rural1	Rural1
TANDEM HEALTHCARE AT FLOYD	1801800560	Urban4	Urban4	Rural2	Rural2
MOUNTAIN VIEW NH	1861422644	Rural1	Small	Urban3	Urban3
SOUTHAMPTON MEMORIAL	1598737942	Rural2	Rural2	Urban4	Urban4

Specialized Care

In accordance with Item 313.LLLL of the 2021 Virginia Acts of General Assembly, SFY 2021 specialized care operating rates are inflated by 5.9% to develop SFY 2022 rates rather than rebasing. Freestanding facilities use the settled FRV cost report for Calendar Year (CY) 2020 and hospital-based facilities use cost reports with provider fiscal years ending in CY2019 for capital rates.

COVID-19 and Payment Add-On for Nursing Facilities and Specialized Care

Effective July 1, 2021, nursing facilities and specialized care shall be paid a \$15 add-on payment. The COVID-19 \$20 add-on payment will sunset June 30, 2021 and be replaced with the \$15 add-on payment accordance with Item 313 LLLLL.1 of the 2021 Virginia Acts of Assembly. The \$15 dollar add-on payment incentivizes providers to invest in functions, staffing and other efforts necessary to build capacity and enhance the quality of care for Medicaid members. All nursing facility and specialized care providers enrolled in Virginia Medicaid will receive the \$15 add-on payment for SFY 22. There are no other additional requirements to receive the add-on payment for SFY 22. Rates effective on or after July 1, 2021 will have the add-on payment added to their indirect rate for nursing facilities and operating rate for specialized care facilities. Beginning in SFY 2023, the \$15 add-on payment will transition to being paid based on a value-based purchasing structure to be developed by DMAS.



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SFY 2022 Rate Notification

This bulletin serves as the official notification that rates for SFY 2022 are posted on the DMAS website at

<https://www.dmas.virginia.gov/for-providers/general-information/rate-setting/nursing-facilities/>.

Corrections or revisions after July 1, 2021 will be noted at the bottom of the official rate sheet. If you have any questions regarding nursing facility or specialized care rates, please contact the DMAS Helpline at 1-800-552-8627.

<u>PROVIDER CONTACT INFORMATION & RESOURCES</u>	
Virginia Medicaid Web Portal Automated Response System (ARS) Member eligibility, claims status, payment status, service limits, service authorization status, and remittance advice.	www.viriniamedicaid.dmas.virginia.gov
Medicall (Audio Response System) Member eligibility, claims status, payment status, service limits, service authorization status, and remittance advice.	1-800-884-9730 or 1-800-772-9996
KEPRO Service authorization information for fee-for-service members.	https://dmas.kepro.com/
Provider Appeals 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.	https://www.dmas.virginia.gov/#/appealsresources
Managed Care Programs 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.	
Medallion 4.0	http://www.dmas.virginia.gov/#/med4
CCC Plus	http://www.dmas.virginia.gov/#/cccplus
PACE	http://www.dmas.virginia.gov/#/longtermprograms



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

<https://dmas.virginia.gov>

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Magellan Behavioral Health Behavioral Health Services Administrator, check eligibility, claim status, service limits, and service authorizations for fee-for- service members.	www.MagellanHealth.com/Provider For credentialing and behavioral health service information, visit: www.magellanofvirginia.com , email: VAProviderQuestions@MagellanHealth.com , or Call: 1-800-424-4046
Provider HELPLINE Monday-Friday 8:00 a.m.-5:00 p.m. For provider use only, have Medicaid Provider ID Number available.	1-804-786-6273 1-800-552-8627
Aetna Better Health of Virginia	www.aetnabetterhealth.com/Virginia 1-800-279-1878
Anthem HealthKeepers Plus	www.anthem.com/vamedicaid 1-800-901-0020
Magellan Complete Care of Virginia	www.MCCofVA.com 1-800-424-4518 (TTY 711) or 1-800-643-2273
Optima Family Care	1-800-881-2166 www.optimahealth.com/medicaid
United Healthcare	www.Uhccommunityplan.com/VA and www.myuhc.com/communityplan 1-844-752-9434, TTY 711
Virginia Premier	1-800-727-7536 (TTY: 711), www.virginiapremier.com