

## **PUBLIC NOTICE**

**Department of Health Services  
(Medical Assistance Reimbursement of Nursing Homes)  
State of Wisconsin Medicaid Nursing Facility Payment Plan:  
July 1, 2018 through June 30, 2019**

The State of Wisconsin reimburses Medicaid-certified nursing facilities for long-term care and health care services provided to eligible persons under the authority of Title XIX of the Federal Social Security Act and ss. 49.43 to 49.47, Wisconsin Statutes. This program, administered by the State's Department of Health Services, is called Medical Assistance (MA) or Medicaid. Federal Statutes and regulations require that a state plan be developed that provides the methods and standards for setting payment rates for nursing facility services covered by the payment system. A plan that describes the nursing home reimbursement system for Wisconsin is now in effect as approved by the Centers for Medicare and Medicaid Services (CMS).

The Department is proposing changes in the methods of payment to nursing homes and, therefore, in the plan describing the nursing home reimbursement system. The changes proposed would be effective July 1, 2018.

The proposed changes would update the payment system and make various payment-related policy changes.

The estimated net increase in annual aggregate expenditures attributable to these changes for skilled nursing homes and intermediate care facilities for individuals with intellectual disabilities (ICF-IIDs) serving MA residents is approximately \$13,808,000 AF (\$5,610,190 GPR) excluding patient liability.

The proposed changes are being implemented to comply with Wisconsin Statutes governing Medicaid payment systems, particularly s. 49.45 (6m), Wis. Stats. This notice represents information known as of June 30, 2018. The changes may be modified by later legislative mandates.

The proposed changes are as follows:

1. Modify the methodology to adjust the reimbursement for nursing homes and ICF-IIDs within the parameters of 2017-2019 Biennial Budget Bill, which included a 2% rate increase for increased acuity for state fiscal year (SFY) 2018 at nursing homes and 1% for ICF-IIDs. These modifications will include adjustments to the maximums, per diems, and other payment parameters in current sections 5.400, 5.500, 5.700, 5.800 and 5.900, the inflation and deflation factors in current section 5.300, and targets in current sections 3.000 and 5.000.
2. The methodology will factor in the effect on patient liability of the cost of living adjustment (COLA) increases in Social Security and Supplemental Security Income programs.
3. Reorganize the methodology to more plainly state the calculation of nursing home and ICF-IID payment rates. Remove information that is duplicative of billing guidance otherwise available to providers through the ForwardHealth Provider Handbooks in order to streamline the state plan

amendment and make it easier to understand. Update all section references to coincide with new ordering system.

4. Update the Reporting Period and Dates Available.
5. Modify contact names and addresses, as necessary.
6. Modify references to previous years for descriptive reasons, and correct typographical errors as necessary.
7. Modify the labor factors listed in current section 5.410.
8. Revise the methodology used for calculating the supplemental payments made to governmentally-operated facilities to include Medicaid Hospice Days as counting to as fee-for-service Medicaid days as part of the funds distribution mechanism.
9. Clarify the methodology for the order of interest expense adjustments to ensure that investment income offsets are taken on the gross amount of interest expense, prior to other interest expense adjustments and allocations.

**Copies of the Proposed Changes:**

Copies of the available proposed changes and proposed rates may be obtained free of charge by writing to:

Division of Medicaid Services  
Bureau of Long Term Care Financing  
Attention: Nursing Home Medicaid Payment Plan  
P.O. Box 7851  
Madison, WI 53703-7851

**Written Comments/Meetings:**

Written comments on the proposed changes may be sent to the Division of Medicaid Services, at the above address. The comments will be available for public review between the hours of 7:45 a.m. and 4:30 p.m. daily in Room B274 of the State Office Building, 1 West Wilson Street, Madison, Wisconsin. Revisions may be made in the proposed changes based on comments received. There will also be public meetings to seek input on the proposed plan amendment. If you would like to be sent a public meeting notice, please write to the above address. Revisions may, also, be made in the proposed changes based on comments received at these forums.