



STATE OF MARYLAND

DHMH

Maryland Department of Health and Mental Hygiene

201 W. Preston Street • Baltimore, Maryland 21201

Martin O'Malley, Governor – Anthony G. Brown, Lt. Governor – Joshua M. Sharfstein, M.D., Secretary

**MARYLAND MEDICAL ASSISTANCE PROGRAM****Nursing Home Transmittal No. 240****July 6, 2012**

TO: Nursing Home Administrators

FROM: *Susan J. Tucker*  
Susan J. Tucker, Executive Director  
Office of Health Services

NOTE: Please ensure that appropriate staff members in your organization are informed of the contents of this transmittal.

RE: Fiscal Year 2013 Interim Rates

Enclosed are your facility's Fiscal Year 2013 interim rates which will become effective with payments for services provided on July 1, 2012. Interim rate calculations continue to be based upon cost report data submitted for providers' Fiscal Year 2007, indexed forward to December 2008; rates are not rebased with more recent cost reports. Providers' interim rate changes since that period, as approved by Myers and Stauffer LC, are reflected in the rates.

Please check the provider number at the top of the enclosed rate letter to ensure that you have received the correct data. A copy of these rates should be furnished to your accountant or bookkeeper for setting up your accounts.

**FY 2013 Interim Rates are Revised as Follows:**

- In order to increase net reimbursement by an average of 1 percent, the previous 1.623 percent reduction in Administrative/Routine, Other Patient Care and Capital costs has been eliminated. In addition, the occupancy standard has been reduced from the statewide average occupancy plus 2 percent to the statewide occupancy plus 1.5 percent. Occupancy levels calculated from providers' FY 2011 cost reports have been used to calculate the impact of this change. The Other Patient Care ceilings have increased from 118 percent of the median cost to 120 percent of the median cost.
- The Baltimore Administrative/Routine and Other Patient Care Regions have both been divided into two regions - one comprised of Baltimore City alone and the other comprised of Anne Arundel, Baltimore, Carroll, Harford and Howard counties.

- The NCVR rate has been increased from 7.57 percent to 9.42 percent for Baltimore City providers.
- Reimbursement for a new nursing procedure, Intensive Tracheotomy Care, will be available for recipients who require a complete suctioning 7 or more times in a 24-hour period. This procedure must be performed by a respiratory therapist and is designated as a special service; it will allow reimbursement for a resident dependent in all five ADLs at the heavy special level of care. The per diem reimbursement for this procedure is \$103.23.
- Reimbursement for Communicable Disease Care as a separate nursing service will terminate effective July 1, 2012.
- Reimbursement for hospital bed hold days will terminate effective July 1, 2012.

### **Quality Assessments**

The Fiscal Year 2013 nursing facility quality assessment amount has increased from 5.5 percent to 6 percent of revenue. The projected reimbursable amount for the increased assessments has been accounted for in the interim payment in the Capital cost center. For most facilities, the per diem quality assessment rate will be \$23.00 per non-Medicare days of care. A separate memorandum will be issued regarding the Fiscal Year 2013 assessments.

### **Personal Needs Allowance**

The personal needs allowance for Medicaid nursing home recipients will increase to \$74 per month for individuals and \$148 per month for couples.

### **Providers Electing Statewide Average Payment**

For those providers with fewer than 1,000 days of care to Maryland Medicaid recipients that elected not to submit a cost report and accept as payment the statewide average Medicaid nursing home payment for each day of care during Fiscal Year 2012 (COMAR 10.09.10.13N), the payment rate is \$235.37.

### **Changes in Ceilings**

As noted above, the Baltimore Administrative/Routine and Other Patient Care regions have each been divided into two regions, the Baltimore City region and the Baltimore Metro region, comprised of four counties. All of the ceilings in these newly defined regions increased.

The Other Patient Care ceilings increased from 118 percent to 120 percent of the median in all four regions. The FY 2013 ceilings and comparisons with FY 2012 maximum payments are as follows:

**Administrative and Routine Cost Center**

REGION	FY 2012 CEILING	FY 2012 MAXIMUM PAYMENT	FY 2013 CEILING	PERCENT CHANGE IN MAXIMUM PAYMENT
Baltimore City	80.34	79.04	83.91	6.2%
Baltimore Metro	80.34	79.04	80.65	2.0%
Washington	86.70	85.29	86.70	1.7%
Non - Metro	73.51	72.32	73.51	1.6%

**Other Patient Care Cost Center**

REGION	FY 2012 CEILING	FY 2012 MAXIMUM PAYMENT	FY 2013 CEILING	PERCENT CHANGE IN MAXIMUM PAYMENT
Baltimore City	16.69	16.42	17.15	4.4%
Baltimore Metro	16.69	16.42	17.18	4.6%
Washington	16.79	16.52	17.07	3.3%
Non - Metro	16.01	15.75	16.28	3.4%

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Any questions regarding this transmittal or the rates on the enclosed rate letter should be directed to the Nursing Home Section of the Division of Long Term Care Services at 410-767-1736.

Enclosure

SJT/seh

cc: Nursing Home Liaison Committee