From: <u>Kimberly Adams</u>
To: <u>Lorraine Belt</u>

Subject: DHCFP Notes from COA on Rate Increases

Date: Thursday, August 3, 2023 1:00:15 PM

Hi Lorraine,

I am hoping you are the right person to send my notes to – I didn't write down who Dena asked me to send a summary to. Here are the notes I used for the Medicaid rate updates during the COA meeting earlier:

The Division received approval in our budget and within some bills for rate increases for the following providers:

- Nursing facilities:
 - 10% increase approved in our budget plus additional percentage approved in AB237, for a total percent increase of 24.5%
 - Effective 1/1/24
 - Also working on a related State Plan Amendment for nursing facilities that would change the FMAP collected for the nursing facility supplemental payments (via the nursing facility provider tax program). Currently, we only collect the standard FMAP amount; however, this amendment would allow us to collect higher federal match for eligible populations (for example, "newly eligible")
- 15% rate increase for home health and private duty nursing (PT 29)
 - Effective 1/1/24
- Personal Care Services
 - Increase under PT 30/83 for the personal care service code up to the equivalent of \$25/hr (15-minute unit, so \$6.25 per 15 min)
 - Requirement that at least \$16/hr of the total \$25/hr rate is passed through to the individual rendering the service
 - Also will be increasing the reimbursement rates for "PCS-like" services under provider type 48 (HCBS for Frail Elderly) and PT 58 (HCBS for Persons with PD) with the same requirement for the \$16 pass-through wage
 - Effective 1/1/24
- FE Waiver Rate Increases (PT 57 HCBS for Frail Elderly in Residential Facilities for Groups; PT 59 HCBS for Frail Elderly in Assisted Living Facility)
 - The rates for these services are based on provider-reported costs taken from the Quadrennial Rate Review surveys, so the percent change varies by code. For PT 57, it is an average of around a 50% increase and for PT 59, an average of a 98% increase).
 - This will result in rates for PT 57/59 being different, but again was based on the data we received from providers when these PTs were surveyed in fall 2021
- IDD rate increase under PT 38
 - Average of 26.9% increase beginning 7/1/23. This has already been approved through 6 months after the end of the PHE (11/11/23) we will transfer the rate increase authority when the ID Waiver is renewed effective 10/1/23
- Other planned rate increases: 5% for physicians (1/1/24), 5% for dentists (1/1/24), APRN parity with physicians (1/1/24)
- We are planning to take all the State Plan Amendments to public hearing by the end of the year to seek CMS approval for the rate increases. The Division cannot implement the rate changes until CMS approval has been secured.
 - For State Plan services (nursing facilities, PCS, home health) the effective date can be retroactive (so even if CMS approves after 1/1/24, we'd still hold that effective date)
 - For waiver amendments, those are approved on a prospective basis (effective date cannot be earlier than the date CMS approves). We are already working on those amendments and hope to have public notice posted soon so they can be submitted to CMS as soon as possible.
- More information on public hearings and workshops will be posted on the Division's public notice page as it becomes available; our focus now is on preparing the respective state plan amendments
- Questions?

Thank you,



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