

**STATE OF RHODE ISLAND
EXECUTIVE OFFICE OF HEALTH AND HUMAN SERVICES**

**09/22/2022 PUBLIC NOTICE OF PROPOSED AMENDMENT TO RHODE ISLAND MEDICAID
STATE PLAN**

In accordance Rhode Island General Laws 42-35, notice is hereby given that the Executive Office of Health and Human Services (EOHHS) proposes to make the following amendment to the Rhode Island State Plan under Title XIX of the Social Security Act:

Nursing Facility Rate Increase

EOHHS is seeking approval from the Centers for Medicare and Medicaid Services (CMS) to increase the Direct Nursing, Other Direct Care, and Indirect Care components of the base per diem rate paid to nursing facilities by 3.0%, in lieu of a 1.9% market basket adjustment, effective October 1, 2022. This 3.0% increase is in addition to the 1.0% staffing adjustment that will also occur on October 1, 2022 in accordance with the State Plan.

The additional 1.1% rate increase over the 1.9% inflation index adjustment will result in an estimated increase in expenditures of \$3,235,498 all funds in SFY2023.

This proposed amendment is accessible on the EOHHS website (www.eohhs.ri.gov) or available in hard copy upon request (401-462-1501 or RI Relay, dial 711). Interested persons should submit data, views, or written comments by October 22, 2022 to Katy Thomas, Executive Office of Health and Human Services, 3 West Rd, Cranston, RI, 02920, or Kathryn.thomas@ohhs.ri.gov or via phone at (401) 462-2598.

In accordance with the Rhode Island General Laws 42-35-3, an oral hearing will be granted on the proposed State Plan Amendment if requested by twenty-five (25) persons, an agency, or by an association having at least twenty-five (25) members. A request for an oral hearing must be made within ten (10) days of this notice.

The Executive Office of Health and Human Services does not discriminate against individuals based on race, color, national origin, sex, gender identity or expression, sexual orientation, religious belief, political belief, or handicap in acceptance for or provision of services or employment in its programs or activities.

Original signed by Ana Novais, Acting Secretary, Rhode Island Executive Office of Health and Human Services
Signed this 22nd day of September, 2022

☐ Exceptions to price increases

Annual adjustments to the base per diem rates for Direct Nursing, Other Direct Care, and Indirect Care stated above will not occur in the following years, and will instead be adjusted as noted below:

-2015 no increase

-2017 no increase

-2018 base rates increased by 1.5% effective July 1 and 1% effective October 1

-2019 base rates increased by 1% effective October 1

-2022 base rates increased by 3% effective October 1

C. Transition Adjustments

In recognition of the impact this change will have on nursing homes, the state has implemented a transition plan of at least four years in length. This change will be completed after October 1, 2016. The features of this transition are described below.

☐ Adjustment to Direct Care (Direct Nursing Care and Other Direct Care components)

For those nursing homes whose Direct Care per diem costs are greater than the Direct Care base rates, i.e. the sum of the Direct Nursing Care and Other Direct Care base rate components, which would result in a loss in reimbursement, the state has added a policy adjustment to fully compensate for that loss. This will ensure that patient care is not adversely impacted. See example below:

Actual Direct Care cost:	\$130.00
Minus Direct Nursing Care rate:	(\$100.44)
Minus Other Direct Care rate:	(\$23.74)
Policy adjustment equals:	\$5.82

This policy adjustor will be phased out over the transition period as follows:

- 10/1/16 100%
- 10/1/17 75%
- 10/1/18 50%
- 10/1/19 25%
- 10/1/20 0%

☐ Adjustment to Overall Care

In addition to the above policy adjustment, the state has also implemented a gain/loss policy adjustment ensuring that, exclusive of the direct care policy adjustment, no nursing home will experience a gain or loss in year one of the transition of greater than \$5.00 per day. See example below:

Direct and Indirect Care base rate:	\$177.71
Actual Direct and Indirect Care costs:	\$160.00
Rate variance:	\$17.71
Maximum gain/loss	\$5.00
Gain/loss policy adjustment	(\$12.71)

This policy adjustor will be phased out over the transition period as follows:

- 10/1/12 100% (\$12.71)
- 10/1/13 75% (\$9.53)
- 10/1/14 50% (\$6.36)
- 10/1/16 25% (\$3.18)
- 10/1/17 0% \$0.00

D. Periodic Rate Review