

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

**11/16/2021 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:

**Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICFs/IID) Payment
Methodology**

EOHSS is proposing to submit an amendment to the Centers for Medicare and Medicaid Services (CMS) seeking CMS approval to update the Rhode Island Medicaid State Plan to codify the current payment methodology for Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICFs/IID). The amendment specifically outlines the cost-based payment used, settlement payments, prospective payment rate, annual review of the cost-based payment methodology and the public posting of rates.

The proposed effective date of this change is December 1, 2021. The amendment has no fiscal impact.

This proposed amendment is accessible on the EOHHS website (www.eohhs.ri.gov) or available in hard copy upon request (401-462-2598 or RI Relay, dial 711). Interested persons should submit data, views, or written comments by December 16, 2021 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 42-35-2.8, 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: Womazetta Jones, Secretary,
Signed this 15th day of November, 2021**

Proposed Revisions to State Plan Pages

Payment for Intermediate Care Facility for Individuals with Intellectual Disabilities (ICF/IID) will be paid on a cost basis as follows:

a. Cost-Based Payment

From January 1 through December 31st, providers will be reimbursed using interim rates that are calculated using data that is from the cost report of the prior calendar year (January 1 through December 31). Cost reports for the prior calendar year (January 1 through December 31) are due to the state by March 31. Rates from those cost reports are also used for the final settlements of the prior calendar year (January 1 – December 31).

1. To determine total eligible Medicaid expenditures, EOHHS shall use the total expenses as reported in Schedule 2 of the cost report, reflecting applicable adjustments. Applicable adjustments include, but are not limited to:
 - Reductions for the patient's clothing allowance (Schedule 1)
 - Interest Income (Schedule 2)
 - Depreciation (Schedule 9)
 - One-time sources of revenue or expenditures (for example, grants given by the State to the facility during states of emergency)
2. To determine the Medicaid per diem rate, divide total Medicaid reimbursable expenditures by the total inpatient days. Inpatient days are based on MMIS data obtained from the State's intermediary fiscal agent.
3. To this amount, \$1.00 is added for allowable clothing allowance, which becomes the actual rate for the previous calendar year. This rate will be used in the reconciliation for the previous calendar year (January 1 – December 31).

Settlement for Previous Calendar Year

The total amount owed by Medicaid will be compared to the total sum of interim payments made in aggregate to the facility in the corresponding calendar year. If the total amount owed by Medicaid is greater than the sum of the interim payments, EOHHS will reimburse the provider via a reconciliation payment in an amount that is equal to that difference. If the revenue owed by Medicaid to the facility is less than the sum of the interim payments, the provider shall return to EOHHS (via a reconciliation payment) the amount that is equal to that difference. This reconciliation of interim to final rates will occur within one year post the end of the applicable calendar year (i.e., reconciliation for CY 2020 rates will be reconciled by December 31, 2021).

Determination of Prospective Rate for Current Calendar Year

1. Determination of total Medicaid-eligible expenses is the same way as detailed above, except that EOHHS adjusts total expenditures by an inflationary factor. The inflationary factor used is the adopted inpatient inflationary factor for the current state fiscal year during which EOHHS forecasts the prospective rate.

2. Total Medicaid-eligible expenses are then divided by projected inpatient days.
 - a. To determine this amount, EOHHS examines the most recent monthly census reports to determine an average daily census then multiplies the average monthly census by 365 (or 366 for leap years).
3. To this amount is added \$1.00 for allowable clothing allowance, which becomes the interim reimbursement rate for the current calendar year (January 1 through December 31).

Any such payment or recoupment resulting from the reconciliation will be added to Medicaid payments in the UPL demonstration that utilizes that year's base year data.

b. Prior Authorizations and Description of Service Provided

All admissions require prior authorization by the Department of Human Services, Long Term Care unit, however prior authorization of the length of stay is not required. The services provided in the setting are acknowledged to be inclusive of a variety of State Plan approved benefits, and levels of intensity of services. Services that are provided are based on the beneficiaries' plan of care/ treatment plan and differ in intensity based on the beneficiaries' acuity. Services that are provided encompass a complete continuum of care.

c. Annual review

EOHHS will review the cost-based payment method at least annually, making updates as appropriate through the state plan amendment process.

d. Posted Information

Beneficiaries, and other interested parties can find interim rates on the Executive Office of Health and Human Services website here: <https://eohhs.ri.gov/providers-partners/provider-directories/icfiid> which will be updated annually.
