

Montana Health Coalition
Senior and Long Term Care Division Rule Updates
June 3, 2014

Rule Changes to Implement the 2% Provider Rate Increase (Mega Rule)

37.40.105 HCBS Services: The fee schedule will include a 1.94% increase in provider rates which has been appropriated at \$746,160 in total funds by the Legislature in HB2. This funding will impact all Medicaid HCBS individuals and providers who utilize this service. The anticipated number of individuals who will receive HCBS services in SFY 2014 is approximately 2,500. Effective date July 1, 2014.

ARM 37.85.105 Home Health Services: The fee schedule will include a 1.9% increase in provider rates which has been appropriated at \$6,655 in total funds by the Legislature in HB2. This funding will impact all Medicaid Home Health individuals and Home Health providers who utilize this service. The anticipated number of individuals who will receive home health services in SFY 2014 is approximately 400. Effective date July 1, 2014.

ARM 37.85.105 Personal Assistance Services: The fee schedule will include a 1.83% increase in provider rates, which has been appropriated at \$752,015 in total funds by the Legislature in HB2. This funding will impact all Medicaid personal assistance service and self-directed personal assistance service individuals and providers. The anticipated number of recipients who will receive personal assistance and self-directed personal assistance services in SFY 2014 is approximately 3,600. Effective Date July 1, 2014.

Other Rule Changes to Implement the 2% Provider Rate Increase

ARM 37.40.307, 37.40.326 and 37.40.361 Nursing Facility Services: The rate will include an approximate 2% increase in Medicaid provider rates using state and federal funds. The total state and federal funding available for state fiscal year (SFY) 2015 for rate calculation purposes utilizing the funding in HB2 is currently projected at \$145,522,658 which is comprised of \$16,694,858 in state special revenue, \$32,462,695 in state general funds, and \$96,365,105 in federal funds when the provider rate increases are included. Anticipated days for SFY 2015 are estimated at 1,060,581 using estimates of caseload adopted by the legislature. The estimated total funding available for SFY 2015 for nursing facility reimbursement is estimated at approximately \$179,058,229 of combined state funds, federal funds, including \$33,535,571 in patient contributions. These numbers do not include at risk provider funds or direct care wage funding.

The increase in the total rate (using the noticed numbers and patient contribution or third party payments) is approximately 1.64%. The department is considering making slight adjustments to the rate components that were previously noticed in order to increase this percent increase up to 1.8%.

Additional payments for Nursing Facilities above the 2% are:

Direct Care Wages: The additional funding of lump-sum payments to providers for direct care workers and ancillary staff of \$1,344,818 of state general funds and \$2,636,288 in federal funds for a total appropriation of \$3,981,106 for the nursing facility direct care worker wage program.

IGT Payments: The estimated total funding impact of the onetime payments to "at risk" nonstate governmental providers and other nursing facilities not determined to be "at risk," has been appropriated at \$23,945,170 in total funds of which \$8,088,679 comes from state special revenue funds and approximately \$15,856,491 comes from federal funding sources.