

## **PUBLIC NOTICE**

### **Department of Health Services (Medical Assistance Reimbursement of Nursing Homes) State of Wisconsin Medicaid Nursing Facility Payment Plan: July 1, 2023 through June 30, 2024**

The State of Wisconsin reimburses Medicaid-certified nursing facilities for long-term care and health care services provided to eligible persons under the authority of Title XIX of the Federal Social Security Act and ss. 49.43 to 49.47, Wisconsin Statutes. This program, administered by the State's Department of Health Services, is called Medical Assistance (MA) or Medicaid. Federal Statutes and regulations require that a state plan be developed that provides the methods and standards for setting payment rates for nursing facility services covered by the payment system. A plan that describes the nursing home reimbursement system for Wisconsin is now in effect as approved by the Centers for Medicare and Medicaid Services (CMS).

The Department is proposing changes in the methods of payment to nursing homes and, therefore, in the plan describing the nursing home reimbursement system. The changes proposed would be effective July 1, 2023.

The estimated net increase in annual aggregate expenditures attributable to these changes for skilled nursing homes and intermediate care facilities for individuals with intellectual disabilities (ICF-IIDs) serving MA residents is approximately \$8,500,000 million all funds (AF) with \$3,300,000 state funds/general purpose revenue (GPR) and \$5,200,000 federal match (FED), excluding patient liability, acuity, and utilization adjustments.

The proposed changes are being implemented to comply with Wisconsin Statutes governing Medicaid payment systems, particularly s. 49.45 (6m), Wis. Stats and the parameters of the 2023-2025 biennial budget bill. This notice represents information known as of June 22, 2023. The changes may be modified by later legislative mandates.

The proposed changes are as follows:

1. Modify the methodology to adjust the reimbursement for nursing homes and ICF-IIDs within the parameters of 2023-2025 biennial budget bill. These modifications will include adjustments to the targets, maximums, labor factors, property adjustments and other payment parameters in current sections 2.00, 3.00, 4.00, 5.00, 6.00 and 7.00.
2. The methodology will factor in the effect on patient liability of the cost of living adjustment (COLA) increases in Social Security and Supplemental Security Income programs.
3. Modify language for Supplemental Payments for Facilities Operated by Local Units of Government.
4. Remove language related to using cost report data from before the COVID-19 pandemic.
5. Revise the language related to rate appeals and cost report revisions.
6. Require all facilities to have a financial audit every year and to submit those audited financial statements to DHS with the cost reports used to set rates effective 7/1/2024 through 6/30/2025.
7. Remove the pro-rated 5.0% increase in Case-Mix-Neutral Nursing Services Expenses due to COVID-19-related inflation during the 2022 rate year.
8. Clarify the treatment of default CMI, representative of HIPPS Code ZZZZ.
9. Remove the hold harmless payments for the transition from RUGS to PDPM.
10. Clarify the language describing the current methodology of limiting a facility's property expenses to its property allowance for purposes of calculating the support services reduction.
11. Simplify the language related to equalized value.
12. Increase the limit on the undepreciated replacement cost (URC) per bed.
13. Update the Behavioral/Cognitive Impairment Incentive for the discontinuation of Section G of the MDS on 10/1/2023.
14. Modify language for the small facility incentive to clarify facilities on the same or contiguous properties are required to have a total of 50 or fewer beds.
15. Discontinue the unique billing treatment for COVID-19 vaccines compared to other vaccines administered in a skilled nursing facility.

**Copies of the Proposed Changes:**

Copies of the available proposed changes and proposed rates may be obtained free of charge by writing to:

Mail:  
Attention: DHS SPA Coordinator

Division of Medicaid Services

Bureau of Rate Setting

Attention: Nursing Home Medicaid Payment Plan

P.O. Box 7851

Madison, WI 53703-7851

Fax:  
(608) 266-1096  
Attention: DHS SPA Coordinator

E-Mail:  
[DHSDMSSPAPublicFeedback@dhs.wisconsin.gov](mailto:DHSDMSSPAPublicFeedback@dhs.wisconsin.gov)

Copies of the state plan change will be made available for review at the main office of any county department of social services or human services.

**Written Comments**

Written comments are welcome. Written comments on the proposed changes may be sent by FAX, e-mail, or regular mail to the Division of Medicaid Services. Regular mail can be sent to the above address. All written comments will be reviewed and considered.

The written comments will be available for public review between the hours of 7:45 a.m. and 4:30 p.m. daily in Room 350 of the State Office Building, 1 West Wilson Street, Madison, Wisconsin. Revisions may be made in the proposed change based on comments received.