

DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S3-14-28
Baltimore, Maryland 21244-1850



Financial Management Group

September 25, 2025

Stuart Portman
Executive Director
Medical Assistance Plans Division
2 Martin Luther King Jr. Drive SE
East Tower, 19th Floor
Atlanta, Georgia 30334

RE: TN GA-24-0012

Dear Director Portman:

The Centers for Medicare & Medicaid Services (CMS) has reviewed the proposed Georgia state plan amendment (SPA) to Attachments 4.19-D GA-24-0012, which was submitted to CMS on September 30, 2024. This plan amendment revises the methodology for distribution of the supplemental quality incentive payments to eligible skilled nursing facilities and the CMS Long Stay Quality Measures utilized.

We reviewed your SPA submission for compliance with statutory requirements, including in sections 1902(a)(2), 1902(a)(13), 1902(a)(30), and 1903 as it relates to the identification of an adequate source for the non-federal share of expenditures under the plan, as required by 1902(a)(2) of the Social Security Act and the applicable implementing Federal regulations.

Based upon the information provided by the state, we have approved the amendment with an effective date of September 13, 2024. We are enclosing the approved CMS-179 and a copy of the new state plan pages.

If you have any additional questions or need further assistance, please contact James Francis at 617-531-7575 or via email at James.Francis@cms.hhs.gov.

Sincerely,

A handwritten signature in cursive script that reads "Rory Howe".

Rory Howe
Director
Financial Management Group

Enclosures

REIMBURSEMENT FOR NURSING FACILITY SERVICES

2. The facilities second standard survey and/or complaint survey, after being placed on the list, does not have a deficiency cited over Level E scope and severity; or
3. If the facility is removed from the special focus list by CMS for any other reason.

Supplemental Quality Incentive Payments

Effective August 13, 2021, the Division will provide supplemental quality incentive payments to eligible skilled nursing facilities that demonstrate improvement in the quality of care rendered to members. Utilizing calendar year 2020 data as the baseline, nursing facilities that demonstrate improvement in the four categories identified below will be eligible for a supplemental payment. Nursing facilities must demonstrate improvement in at least one or more of the areas noted below in order to receive the supplemental payment. The supplemental payment will be based on the percentage of improvement ranked by decile for each of the four categories listed below.

- High-Risk Long Stay Residents with pressure ulcers
- Long-stay residents who received an antianxiety or hypnotic medication
- Long-stay residents who received an antipsychotic medication
- Long-stay residents with a urinary tract infection

Supplemental payments will be distributed to eligible nursing facilities twice per year. However, in year one (SFY2022), eligible nursing facilities will only receive one payment. For each subsequent year after calendar year 2020, the base year will be adjusted annually to reflect improvement against the prior year. For example, CY2021 would be paid out against improvement against CY2020, CY2022 would be paid out against CY2021, and CY2023 against improvement in CY2022. Only those facilities who demonstrate improvement will be eligible for the add on payment.

Effective September 13, 2024, nursing facilities must demonstrate improvement in at least one or more of the Centers for Medicare & Medicaid Services (CMS) established Long-Stay Quality Measures, identified by the Division, in order to receive the supplemental payment. The supplemental payment will be based on each nursing facility's overall ranking in each CMS Long Stay Quality Measure resulting in the nursing facility receiving a payment proportional to their improvement (e.g., a facility with the highest improvement will receive the highest supplemental payment for that measure). The Department will notify the skilled nursing facilities of the revised CMS Long-Stay Quality Measures no later than September 30th (with the exception of calendar year 2024) preceding the start of the upcoming evaluated calendar year.

Supplemental payments will be distributed to eligible nursing facilities annually by August 31st. For each subsequent year after calendar year 2023 the base year will be adjusted annually to reflect improvement against the prior year. For example, CY2024 would be paid out against improvement in CY2023, CY2025 would be paid out against CY2024, and CY2026 against improvement in CY2025. The total amount of SFY2025 and SFY2026 quality incentive payment is \$36,168,272.

Only those facilities that demonstrate improvement will be eligible for the supplemental payment. Only those facilities with 50% or more Medicaid Long-term residents are eligible.

REIMBURSEMENT FOR NURSING FACILITY SERVICES

Property and Related Reimbursement

1. Effective for dates of service on and after July 1, 2012, the Property and Related Net Per Diem shall be the amount computed using the Fair Rental Value (FRV) reimbursement system described below. Under a FRV system, a facility is reimbursed on the basis of the established current value of its capital assets in lieu of direct reimbursement for depreciation, amortization, interest, and rent/lease expenses. The FRV system shall establish a nursing facility's bed value based on the age of the facility, its location, and its total square footage.

2. The Property and Related Net Per Diem established under the FRV System shall be calculated as follows:

(a) Effective for dates of service on and after July 1, 2014 through June 30, 2021, the value per square foot shall be based on the \$187.12 construction cost for nursing facilities, as derived from the 2012 RSMeans Building Construction cost data for Nursing Homes (national index for open shop construction). The Value per Square Foot shall be adjusted by using the RSMeans Location factors based on the facility's zip code as well as by a Construction Cost Index which is set at 1.0. The resulting product is the Adjusted Cost per Square Foot.

(b) Effective for dates of service on and after July 1, 2022, the value per square foot shall be based on the \$198.86 construction cost for nursing facilities, as derived from the 2020 RSMeans Building Construction cost data for Nursing Homes (national index for open shop construction).

(c) A Facility Replacement Value is calculated by multiplying the Adjusted Cost per Square Foot by the Allowed Total Square Footage. The latter figure is the lesser of a