



Financial Management Group

AUG 31 2017

Ms. Lynette Rhodes
Acting Director of Medicaid Assistance Plans
Medicaid Division
Georgia Department of Community Health
Medicaid Division
2 Peachtree Street, NW, 36th floor
Atlanta, GA 30303-3159

RE: Georgia State Plan Amendment 17-0007

Dear Ms. Rhodes:

We have reviewed the proposed amendment to Attachment 4.19-D of your Medicaid State plan submitted under transmittal number 17-0007. Effective April 1, 2017, this amendment proposes to provide a 12% inflationary increase for one quarter for specified nursing facilities that inadvertently did not receive the 3% inflationary increase provided to other nursing facilities effective July 1, 2016.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(13), 1902(a)(30), and 1903(a) of the Social Security Act and the implementing Federal regulations at 42 CFR Part 447. We have found that the proposed reimbursement methodology complies with applicable requirements and therefore have approved them with an effective date of April 1, 2017. We are enclosing the CMS-179 and the amended approved plan pages.

If you have any questions, please call Anna Dubois at (850) 878-0916.

Sincerely,

A handwritten signature in blue ink, appearing to read "Kristin Fan", is written over a light blue horizontal line.

Kristin Fan
Director

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**

1. TRANSMITTAL NUMBER:
17-007

2. STATE
GEORGIA

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE
SOCIAL SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR
CENTERS FOR MEDICARE AND MEDICAID SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

April 1, 2017

5. TYPE OF PLAN MATERIAL (Check One):

NEW STATE PLAN AMENDMENT TO BE CONSIDERED AS NEW PLAN AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:
42 C.F.R. § 438.6(c), 438.50, 438.52, 438.56, 431.51,
435.145, 435.118

7. FEDERAL BUDGET IMPACT:
FFY 2017 \$3,029,522

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Supplement 2 to Attachment 4.19-D, Pages 7-9.

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):

Supplement 2 to Attachment 4.19-D, Pages 7-9.

Supplement 2 to Attachment 4.19-D, Pages 15a and 16a.

Supplement 2 to Attachment 4.19-D, Pages 15a and 16a.

10. SUBJECT OF AMENDMENT:

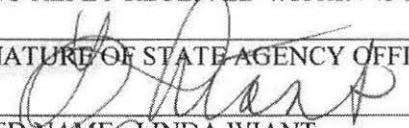
This State Plan Amendment will result in a 12% inflationary rate increase for one quarter for specified Georgia's nursing facilities that inadvertently did not receive a 3% inflationary increase effective July 1, 2016.

11. GOVERNOR'S REVIEW (Check One):

- GOVERNOR'S OFFICE REPORTED NO COMMENT
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

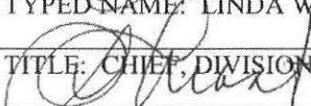
OTHER, AS SPECIFIED:
Single State Agency Comments Attached

12. SIGNATURE OF STATE AGENCY OFFICIAL:



13. TYPED NAME: LINDA WIANT

14. TITLE: CHIEF, DIVISION OF MEDICAID



15. DATE SUBMITTED:

6.29.17

16. RETURN TO:

Department of Community Health
Division of Medicaid
2 Peachtree Street, NW, 36th Floor
Atlanta, Georgia 30303-3159

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

18. DATE APPROVED:

AUG 31 2017

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

APR 01 2017

20. SIGNATURE OF REGIONAL OFFICIAL:



21. TYPED NAME:

Kristin Fan

22. TITLE:

Director, FMCE

23. REMARKS:

Total Allowed Per Diem For Facilities Purchased From An Unrelated Party Between January 1, 2012 And June 30, 2014.

Facilities purchased from a party not related to the new owner between January 1, 2012 and June 30, 2014 will have their per diem rates effective July 1, 2015 determined based on the cost of the new owner. Related parties shall be defined to include the following:

- (1) Immediate family members including the previous owner's spouse, child, sibling, parent, grandparent, or grandchild. Related parties shall also include stepparents, stepchildren, stepsiblings, and adoptive relationships; and
- (2) A business corporation, general partnership, limited partnership, limited liability company, joint venture, nonprofit corporation, or any other or profit or not for profit entity that owns or controls, is owned or controlled by, or operates under common ownership or control of the previous owner.

The new owner's rate effective July 1, 2015 will be determined as follows:

- a. The first cost report ending June 30th that contains at least six months of cost under the new owner will be used to establish the provider's rate effective July 1, 2015.
- b. If there is not a cost report ending June 30th that contains at least six months of cost under the new owner available when establishing the July 1, 2015 rate, cost report information covering from the date of change in ownership through December 31, 2014 will be used.
- c. Rates determined based on cost report information subsequent to June 30, 2014 will be reconciled and retroactively adjusted upon review of the information.
- d. The cost ceilings used when establishing the rate effective July 1, 2015 will be determined using the same June 30th year end used for determining cost. The June 30, 2014 cost reports will establish ceilings for cost data submitted for the period ending December 31, 2014.
- e. Providers will continue to receive rates based on the new owner's cost report until a later cost report is approved for rebasing.

f. Effective April 1, 2017 through June 30, 2017, the growth allowance is 12% for nursing facilities reimbursed in accordance with the rules applicable to nursing facilities purchased from an unrelated party between January 1, 2012 and June 30, 2014.

Total Allowed Per Diem Billing Rate For Facilities For Which A Cost Report or Case Mix Score Cannot Be Used To Set A Billing Rate.

If the Division determines that a cost report cannot be used to set a billing rate the per diem rate will be established, as follows:

- a. When changes in ownership occur, new owners will receive the prior owner's per diem until a cost report basis can be used to establish a new per diem rate. (See Supplement 3 to Attachment 4.19-D).
- b. Newly enrolled facilities will be reimbursed the lower of: projected costs; or 90% of the appropriate cost center ceilings, plus a growth allowance and the appropriate Property and Related Net Per Diem until a cost report is submitted which can be used to establish a rate.
- c. In all other instances (except as noted below for newly constructed facilities) where the Division determines that a cost report cannot be used to set a reimbursement rate, the Total Allowed Per Diem Billing Rate will be resolved as described in the provisions discussed below for unauditable cost reports.

The Total Allowed Per Diem Billing Rate for facilities with more than 50 beds determined by the Division to be newly constructed facilities is equal to 95% of the four Non-Property and Related Standard Per Diem amounts plus the appropriate growth allowance and Property and Related Net Per Diem.

The Property and Related Net Per Diem referred to in subsections (a) through (c) above is equal to either the Fair Rental Value Rate as determined on page 20 of this Supplement in the section titled "*Property and Related Reimbursement.*"

In all other instances where the Division determines that a cost report cannot be used to set a reimbursement rate, the Total Allowed Per Diem Billing Rate will be resolved as described in the provisions discussed below for unauditable cost reports. If the Division determines that a cost report which was to be used to set a reimbursement rate is unauditable (i.e., the Division's auditors cannot render an opinion using commonly accepted auditing practices.