



COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF HUMAN SERVICES

'AUG 18 2017

Ms. Kelly Andrisano, Executive Director
Pennsylvania Coalition of Affiliated
Healthcare & Living Communities
PO Box 60769
Harrisburg, Pennsylvania 17106-0769

Mr. Andy Carter, President & CEO
The Hospital & Healthsystem
Association of Pennsylvania
30 North Third Street, Suite 600
Harrisburg, Pennsylvania 17101-1703

Mr. Ron Barth, President & CEO
LeadingAge PA
1100 Bentcreek Boulevard
Mechanicsburg, Pennsylvania 17050

Mr. Russ McDaid, President & CEO
Pennsylvania Health Care Association
315 North Second Street
Harrisburg, Pennsylvania 17101

Dear Ms. Andrisano, Mr. Barth, Mr. Carter, and Mr. McDaid:

This letter summarizes the understanding of the Department of Human Services (DHS) and the four associations representing Medicaid-participating nursing facilities (the Associations) regarding the Medical Assistance (MA) nursing facility managed care payments for state fiscal years (FY) 2017-2018 and 2018-2019 funded with Nursing Facility Assessment (Assessment) revenue pursuant to the Human Services Code.

All actions described below will be taken consistent with the provisions defined in the Pennsylvania approved Medicaid State Plan, 1915 (b)/(c) waivers or managed care organization agreements. Where an amendment to the State Plan, waiver or managed care agreement is required to implement these actions, the action is conditioned upon and may not be implemented unless and until federal approval is obtained. Further, DHS commits to sharing with the parties to the letter, State Plan Amendments, 1915(c) waiver-related submissions, and upper payment limits (UPL) calculations after they are submitted to the Centers for Medicaid and Medicare Services (CMS) related to the agreed to actions in this letter.

If this letter correctly reflects our mutual understanding, please countersign where indicated and return the letter to me at your earliest convenience.

Federal Approval Process

Certain payments to nursing facilities and managed care plans, including Appendix 4 Access to Care Payments, will not be made and the Assessment will not be collected until federal approvals are obtained for:

- If necessary, changes to Title XIX State Plan Amendments for nursing facility services authorizing the continuation of the nursing facility Assessment specified in Act 76 of 2016.
- If necessary, a waiver under 42 CFR 433.68(e) authorizing DHS to implement the required revisions to the Assessment program.

- DHS' Community HealthChoices (CHC) managed care organization (MCO) agreements and rates, annually.

Ongoing Stakeholder Engagement

DHS will continue to consult with the Associations on issues relating to the Assessment program's ongoing operation, including remittance schedules, payment plan processing, data reporting and verification and processes to minimize cash flow issues for both nursing facilities and operation of the program. Nursing facilities need to discuss and reach agreement with the CHC-MCOs related to how Appendix 4 payments will be distributed.

- DHS will work to coordinate approvals and Assessment due dates in an effort to minimize cash flow impacts on nursing facilities.
- DHS will set individual due dates for the first three quarterly Assessment payments in the state FY after the commensurate number of Appendix 4 distributions have been made to the nursing facilities.
- DHS will also address the fourth quarter cash flow by making an annual payment to the CHC-MCOs so that they can pay the nursing facilities the amount in Appendix 4 for the fiscal year before the fourth quarter assessment fees are due. DHS will address cash flow in FY 2017-2018 and FY 2018-2019 regardless of any delay in CHC implementation.
- For fiscal years after FY 2018-2019, DHS will attempt to address cash flow in a manner that makes Assessment payments due after Appendix 4 funds have been paid to the nursing facilities.

Interest and Penalties

It is imperative that the nursing facilities pay current outstanding Assessment balances and remit future Assessment payments by the due dates established by DHS throughout the year unless a payment plan has been approved. DHS will assess interest on any outstanding balances owed on Assessment payments due prior to June 30, 2017, that do not have an approved payment plan, beginning September 15, 2017. DHS will share that list as soon as possible to facilitate outreach to these facilities by the Associations. For Assessment payments due on or after July 1, 2017, DHS will assess interest beginning the day after the Assessment payment is due unless the facility has an approved payment plan or has submitted a request for a payment plan in accordance with requirements and deadlines established by DHS and has yet to receive notice of acceptance or denial of the payment plan.

DHS will publish, as part of the "Important Dates Chart", the dates by which facilities must submit requests for payment plans. DHS will establish the payment plan request due dates on a schedule that will allow DHS to issue a decision on all timely requests at least 30 days prior to the Assessment due date, if possible. If DHS fails to issue a decision on a timely request for payment plan at least 30 days prior to the Assessment due date, DHS will provide a 30-day grace period following the issuance of a denial of a payment plan request before assessing interest or penalties on a nursing facility. In addition, DHS will send reminder notices to providers prior to the payment due date.

Requests for payment plans received via email or postmarked after the OHS-established due date will still be reviewed by DHS but the 30-day grace period will not apply in the case of denial. The Secretary continues to have the authority to waive the interest on a case-by-case basis for good cause shown.



'AU618 2017

Secretary of Human Services/Date

Agreed to by:

 8-18-17


Executive Director, PACAH/Date

 8-18-17

President & CEO, leadingAge PA/Date



President & CEO, HAP/Date

 8-18-17

President & CEO, PHCA/Date