



Final Regulation Agency Background Document

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| Agency name | Department of Medical Assistance Services |
| Virginia Administrative Code (VAC) citation | 12 VAC 30-60 and 12 VAC 30-90 |
| Regulation title | Standards Established and Methods Used to Assure High Quality Care, Methods and Standards for Establishing Payment Rates for Long-Term Care |
| Action title | Additional NF Reimbursement for Treatment of Stage IV Pressure Ulcers |
| Document preparation date | Enter date this form is uploaded on the Town Hall |

This information is required for executive review (www.townhall.state.va.us/dpbpages/apaintro.htm#execreview) and the Virginia Registrar of Regulations (legis.state.va.us/codecomm/register/regindex.htm), pursuant to the Virginia Administrative Process Act (www.townhall.state.va.us/dpbpages/dpb_apa.htm), Executive Orders 21 (2002) and 58 (1999) (www.governor.state.va.us/Press_Policy/Executive_Orders/EOHome.html), and the *Virginia Register Form, Style, and Procedure Manual* (http://legis.state.va.us/codecomm/register/download/styl8_95.rtf).

Brief summary

In a short paragraph, please summarize all substantive changes that are being proposed in this regulatory action.

This regulatory action will provide additional reimbursement (\$10 per day) to nursing facilities (NF) for residents who require specialized treatment beds due to their having at least one treatable stage IV pressure ulcer. The cost to NFs of providing specialized treatment beds frequently exceeds what is covered through the current NF reimbursement methodology. The additional \$10 per day reimbursement for specialized treatment beds is intended to help defray the cost to NFs of providing these beds to residents with Stage IV pressure ulcers.

Statement of final agency action

Please provide a statement of the final action taken by the agency including (1) the date the action was taken, (2) the name of the agency taking the action, and (3) the title of the regulation.

I hereby approve the foregoing Agency Background Document with the attached amended State Plan pages Standards Established and Methods Used to Assure High Quality of Care (12 VAC 30-60) and Methods and Standards for Establishing Payment Rates—Long Term Care Services (12 VAC 30-90) and adopt the action stated therein. I certify that this final regulatory action has completed all the requirements of the Code of Virginia § 2.2-4012, of the Administrative Process Act and is full, true, and correctly dated.

Date

Patrick W. Finnerty, Director
Dept. of Medical Assistance Services

Legal basis

Please identify the state and/or federal source of legal authority to promulgate this proposed regulation, including (1) the most relevant law and/or regulation, including Code of Virginia citation and General Assembly bill and chapter numbers, if applicable, and (2) promulgating entity, i.e., the agency, board, or person. Describe the legal authority and the extent to which the authority is mandatory or discretionary.

The Code of Virginia (1950) as amended, § 32.1-325, grants to the Board of Medical Assistance Services the authority to administer and amend the Plan for Medical Assistance. The Code of Virginia (1950) as amended, § 32.1-324, authorizes the Director of the Department of Medical Assistance Services (DMAS) to administer and amend the Plan for Medical Assistance according to the Board's requirements. The Medicaid authority as established by § 1902 (a) of the Social Security Act [42 U.S.C. 1396a] provides governing authority for payments for services.

The 2004 Acts of the Assembly, Chapter 4, Item 326 RR directed DMAS to provide an additional \$10 per day reimbursement to nursing facilities for residents who require a specialized treatment bed due to their having at least one treatable stage IV pressure ulcer.

Purpose

Please explain the need for the new or amended regulation by (1) detailing the specific reasons why this regulatory action is essential to protect the health, safety, or welfare of citizens, and (2) discussing the goals of the proposal and the problems the proposal is intended to solve.

The purpose of this action is to provide additional reimbursement (\$10 per day) to nursing facilities (NF) for residents who require specialized treatment beds due to their having at least one treatable stage IV pressure ulcer. The cost to NFs of providing specialized treatment beds frequently exceeds what is covered through the current NF reimbursement methodology. The additional \$10 per day reimbursement for specialized treatment beds is intended to help defray the cost to NFs of providing these beds to residents with Stage IV pressure ulcers.

Substance

Please identify and explain the new substantive provisions, the substantive changes to existing sections, or both where appropriate. A more detailed discussion is required under the "All changes made in this regulatory action" section.

The sections of the State Plan for Medical Assistance that are affected by this action are Standards Established and Methods Used to Assure High Quality of Care (12 VAC 30-60) and Methods and Standards for Establishing Payment Rates—Long Term Care Services (12 VAC 30-90).

Pressure ulcers are caused by unrelieved pressure on skin over bony prominences such as hips, sacrums, and heels in residents with limited mobility. Pressure ulcers are graded by the degree of observable tissue damage from Stage I, being least severe, to Stage IV, being most severe.

NFs have established policies for the prevention and treatment of pressure ulcers. Standard interventions include ongoing assessment of the patient and the ulcer including a nutritional assessment; management of pressure and friction through positioning and the use of support surfaces; care of the ulcer including debridement, cleansing, and dressing; medications to treat infections; operative repair of the ulcer; patient and caregiver education; and, quality improvement programs.

DMAS proposes to provide an additional \$10 per day reimbursement to NFs to help defray the costs to the NFs of providing specialized treatment beds for residents with Stage IV pressure ulcers. Providing proper support surfaces is one component of a comprehensive pressure ulcer treatment plan. In FY 2002, a total of 1,147 residents at 204 NFs had at least one Stage IV pressure ulcer during at least one quarter of the fiscal year. This figure represents approximately 4.2% of the total Medicaid recipients who received nursing facility care in FY 2002. The additional \$10 per day reimbursement is intended to help defray the cost to NFs of providing specialized treatment beds to residents with Stage IV pressure ulcers. These costs are related to direct patient care, and in the nursing facility payment system all direct patient care costs are adjusted for inflation each year. Therefore to be consistent with the provisions of the payment system, this payment will also be adjusted for inflation.

DMAS staff reviewed proposed policy options with representatives of health care provider organizations. The feedback from providers was used in developing the emergency regulations and will also be used in developing the preauthorization process for the additional \$10 per day reimbursement.

Issues

Please identify the issues associated with the proposed regulatory action, including:

- 1) the primary advantages and disadvantages to the public, such as individual private citizens or businesses, of implementing the new or amended provisions;*
- 2) the primary advantages and disadvantages to the agency or the Commonwealth; and*
- 3) other pertinent matters of interest to the regulated community, government officials, and the public.*

If the regulatory action poses no disadvantages to the public or the Commonwealth, please so indicate.

The primary advantage of these regulations is that the additional reimbursement will help to defray the cost to nursing facilities of providing specialized treatment beds to residents with at least one treatable stage IV pressure ulcer. There are no known disadvantages of these regulations to the agency, public or the Commonwealth.

Changes made since the proposed stage

Please describe all changes made to the text of the proposed regulation since the publication of the proposed stage. For the Registrar’s office, please put an asterisk next to any substantive changes.

No changes were made in this regulation following the publication of the proposed regulation.

Public comment

Please summarize all comment received during the public comment period following the publication of the proposed stage, and provide the agency response. If no public comment was received, please so indicate.

DMAS' proposed regulations were published in the December 26, 2005, *Virginia Register* for their public comment period from December 26, 2005 through February 24, 2006. No comments were received.

All changes made in this regulatory action

Please detail all changes that are being proposed and the consequences of the proposed changes. Detail new provisions and/or all changes to existing sections.

| Current section number | Proposed new section number, if applicable | Current requirement | Proposed change and rationale |
|-------------------------------|---|--|--|
| 12 VAC30-60-40 (E) | N/A | Utilization Control: Nursing facilities. | Text is added to inform providers about the criteria for receiving the additional \$10 per day reimbursement. There was no change to this regulation since the Proposed regulation. |
| 12 VAC30-60-350 | N/A | Reserved | Section was added to provide detail to providers on the criteria for receiving the additional \$10 per day reimbursement. |

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| | | | There was no change to this regulation since the Proposed regulation. |
| 12 VAC 30-90-41 (A) | N/A | Nursing facility reimbursement formula. | <p>New text explains the payment rate for the additional reimbursement for use of specialized treatment beds.</p> <p>There was no change to this regulation since the Proposed regulation</p> <p>Reimbursement would be effective for services on and after July 1, 2005.</p> |

Family impact

Please assess the impact of the proposed regulatory action on the institution of the family and family stability.

These changes do not strengthen or erode the authority or rights of parents in the education, nurturing, and supervision of their children; or encourage or discourage economic self-sufficiency, self-pride, and the assumption of responsibility for oneself, one’s spouse, and one’s children and/or elderly parents. It does not strengthen or erode the marital commitment.