

Reimbursement Update

As previously reported, CMS has approved the State Plan Amendment (SPA) for the \$10 PPD rate increase and the \$.87 increase to the VBP incentive effective July 1, 2023. Mo Health Net Division (MHD) is working to get its emergency regulation filed and will begin going through its internal processes in order to timely institute the increases.

Please note, upon CMS approval of a SPA, it typically takes the state between 4-6 weeks to process the increase. An emergency regulation must be filed and approved. Once the emergency regulation takes effect, which is approximately 10 days after it is filed, MHD can begin working on rate letters and other processes it must follow before paying the new rates. We anticipate facilities will receive their rate letters and begin being paid their new rate soon. We believe this may be mid to late February.

Once facilities begin receiving their new rate, MHD will begin to work on the retro payment back to July 1, 2023. We anticipate facilities will see the retro payment within 2 – 4 weeks after the new rate is paid. Please note, and as further explained below, the state will utilize the retro payment for the 7/1/23 \$10 PPD and VBP increase to offset any recoupments necessary as a result of decreases to rates for the semi-annual CMI/VBP adjustments on 1/1/23, 7/1/23 and 1/1/24.

As a reminder, MHD is waiting to release the January 1, 2024 rates for the semi-annual CMI/VBP adjustment and will combine the 1/1/24 rate adjustment notice in conjunction with the \$10 PPD and VBP increase notice letter at the same time. This should result in a smoother process for not only the state, but also facilities.

Once the 1/1/24 rate letter is released it will be inclusive of the \$10 PPD and VBP increase. Therefore, any adjustments upward or downward as a result of the 1/1/24 CMI/VBP will be part of the retro mass adjusted payment of the \$10 and increase in VBP incentive payment. We will keep you updated as we learn more.