

Update Future SNF Medicaid Rate Adjustments

July 1, 2023 – CMI/VBP Rate Adjustment and \$10/PPD Increase

Mo HealthNet (“MHD”) is on track to finalize and release the July 1, 2023, CMI and VBP rate adjustments (minus the \$10/PPD and VBP incentive increase – which is still awaiting CMS approval) sometime this week (the week of October 30, 2023).

As we have reported, it is MHD’s intent to move forward with the July 1, 2023, CMI/VBP rate adjustments and not wait for CMS to approve the SPA for the \$10 PPD increase and increase to the VBP incentives. Once CMS approves the SPA for the \$10 PPD increase and increase to the VBP incentive, your rates will be adjusted accordingly, and another mass adjustment will be made.

January 1, 2024 CMI/VBP Rate Adjustment

MHD expects to release the July 1, 2023 and October 1, 2023 resident listings for facilities to review and make corrections to their MDS’s sometime this week as well. To avoid confusion, they will allow at least one day between the release of the July 1, 2023 rate information and the 7/1/23 and 10/1/23 resident listing information.

We are unsure which will be released first. Please be watching the Myers and Stauffer portal until you receive both the July 1, 2023 rate information and the 7/1/23 and 10/1/23 resident listing information which will require your review and any corrections.

MHD believes they are on track for timely adjustments to the semi-annual CMI/VBP rate adjustments effective January 1, 2024. If this goes as planned, it will eliminate the need for retro payments/recoupments based on the semi-annual CMI/VBP adjustments beginning January 1, 2024 and in the future.

January 1, 2023 – CMI/VBP Rate Adjustment Retro Pay/Recoupments

The state is continuing to work through the recoupment process for facilities whose rates decreased on January 1, 2023. This will take more time as they are working to develop a plan of recoupment causing as little financial disruption as possible to the facilities who experienced a cut to their rate. MHD will not make any final decisions on how it will recoup overpayments until after the July 1, 2023 rates are released. Their plan is to combine the January 1, 2023, and July 1, 2023, adjustments and do one recoupment. In doing this, it is their hope is that some the rates that reduced on January 1 may increase on July 1, 2023, which in turn may decreased the amount of the recoupment. There is also the chance it could be the opposite. We will continue to work with MHD on developing the best plan possible and will let facilities who are expecting a

recoupment know how the overpayments will be recouped once that decision is made.

PDPM Transition

As you will recall from previous communications, CMS is no longer supporting RUGS based CMI effective October 1, 2023. As such CMS is requiring all states to convert their CMI from RUGS to a PDPM model. States have until July 1, 2025 to fully convert to PDPM. For states who do not convert prior to July 1, 2024, CMS will support RUGS through the Optional State Assessment (“OSA”). Based on provider feedback, the state decided NOT to opt-in to the OSA and plans to transition either to a blended model or a full PDPM model SNF Medicaid rate plan effective July 1, 2024.

We have received many questions regarding how the state will calculate the CMI for future rate adjustments. Since CMS was supporting RUGS until October 1, 2023, MHD has the information necessary to calculate the January 1, 2024 rates. It is the intent of MHD to have a new PDPM model in place in time to make the July 1, 2024 CMI/VBP adjustments.

In the coming weeks, MHD and MHCA, along with our consultants, will begin discussing the model the state will use when it transitions to PDPM. This will be a collaborative process between us and MHD. At this time, we do not know what that model will look like; however, as soon as we know, we will begin educating our member facilities. As we move through this process we will continue to update membership on timing and what the model will look like.