

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Department of Health Care Finance



Office of the Senior Deputy Director/Medicaid Director

Transmittal # 22-40

TO: All Interested Parties

FROM: Melisa Byrd
Senior Deputy Director and Medicaid Director

DATE: December 30, 2022

SUBJECT: Public Notice of Intent to Submit State Plan Amendment – Changes to Rate Rebasing Schedule for FQHCs and Per Diem Specialty Hospital Services; ARPA 9817 Supplemental Payments to Strengthen the HCBS Workforce

The Department of Health Care Finance (DHCF) hereby gives notice of the intent to submit amendments to the District of Columbia State Plan for Medical Assistance (State Plan) to the Centers for Medicare and Medicaid Services (CMS) for review and approval. First, the proposed amendments will revise the rate rebasing schedule for Federally Qualified Health Centers (FQHC) and Per Diem Specialty Hospitals. Second, the proposed amendments will permit DHCF to make supplemental payments to enhance and strengthen the Home and Community-Based Services (HCBS) workforce.

Pursuant to Federal regulations at 42 C.F.R. § 447.205, a state must provide public notice of any significant change in the state's methods and standards for setting payment rates for services, prior to the proposed effective dates in the State Plan amendments submitted to CMS. DHCF will provide a comprehensive listing of all changes to the rates on the DC Medicaid website at <http://www.dc-medicaid.com>.

FQHC and Specialty Hospital Rate Rebasing

The District received CMS approval to delay FQHC rate rebasing to January 1, 2022 and every three (3) years thereafter in emergency State Plan amendment, [DC SPA 21-0020](#). The District is proposing to incorporate these changes via traditional State Plan amendment to ensure ongoing authority following conclusion of the federal public health emergency.

The District received CMS approval to delay Specialty Hospital rate rebasing until the end of federal public health emergency via an emergency State Plan amendment, DC SPA 22-0010. The District is proposing a State Plan amendment to delay the rebasing schedule for specialty hospitals classified as per diem hospitals until October 1, 2024. Following the fiscal year 2025 rebasing, the base rate for each specialty per diem hospital will be rebased effective October 1, 2026, and every four (4) years thereafter. The District will incorporate these changes via traditional State

Plan amendment to ensure ongoing authority following conclusion of the federal public health emergency.

The District does not project any change in aggregate Medicaid expenditures for the changes to the FQHC and Specialty Hospital rate rebasing schedules.

American Rescue Plan Act Section 9817 Supplemental Payments

The American Rescue Plan Act (ARPA) of 2021 was signed into law on March 11, 2021. Section 9817 of ARPA provides states with a temporary ten (10) percentage point increase to the federal medical assistance percentage (FMAP) for Medicaid HCBS. States must use funds equivalent to the amount of federal funds attributable to the increased FMAP to implement activities that enhance, expand, or strengthen Medicaid HCBS.

In its May 2022 ARPA quarterly narrative and spending plan update, the District proposed to use ARPA funds to make supplemental provider payments aimed at strengthening the Medicaid HCBS workforce. This proposed State Plan amendment will permit the District to make comparable payments to State Plan 1915(i) HCBS, Rehabilitative Service, Home Health, and Personal Care Aide service providers effective January 1, 2023.

Authority to make these payments is already established for the District's 1915(c) Elderly and Persons with Physical Disabilities (EPD), Individual and Family Support (IFS), and People with Intellectual and Developmental Disabilities (IDD) HCBS Waiver Programs.

For these State Plan supplemental payments, the District projects a net increase in aggregate Medicaid expenditures of approximately \$ 43,679,214 in Fiscal Year 2024.

Contact

If you have any questions, contact Sam Woldeghiorgis, Associate Director, Office of Rates, Reimbursement, and Financial Analysis, Department of Health Care Finance at samuel.woldeghiorgis@dc.gov.

Cc: DC Medical Care Advisory Committee Stakeholders
DC Hospital Association
DC Primary Care Association
DC Health Care Association
DC Behavioral Health Association
DC Coalition of Disability Service Providers
Medical Society of DC