

II - Intermediate Care Facility for Individuals with Intellectual Disabilities (ICF/ID) UPL Guidance

I. The basis of the UPL formula is:

- Medicaid Cost Demonstration Using Medicare Cost Finding Principles
- Other (please describe below):

What is the time period of the data used in the demonstration, including the beginning and ending dates?

Base year data: _____

Rate year data: _____

Is the data the most recently available to the state?

- Yes
- No

II. Medicare cost comparison is verified as described below:

The source of the UPL Medicare equivalent data is:

- State Developed Cost Report using Medicare Cost Identification Principles
- Modified Medicare Skilled Nursing Facility Cost Report (CMS 2540)

Cost report development:

Does the cost report recognize allowable and non-allowable costs in accordance with Medicare Reimbursement Principles (PRM-15-1) and OMB Circular A-87?

- Yes
- No

Has the Centers for Medicare and Medicaid Services (CMS) reviewed the cost report?

- Yes
- No

Do providers submit the cost reports to the State Medicaid agency annually?

- Yes
- No

If no, please describe the submission period: _____

Is the cost report audited by the state agency or through an independent audit?

- Yes
- No

If yes, what is the frequency of the audit?

If the state uses a modified Medicare SNF report, does the state capture the same types of allowable costs as reported on the Medicare SNF cost report?

- Yes
- No
- Not applicable

If no, has the state documented and explained the cost category discrepancies?

Please explain all discrepancies and modifications to the SNF template.

Cost Finding Methodology

Please describe the cost identification and allocation process (including the recognized direct costs, treatment of indirect cost, all allocation methods used to determine the costs related to Medicaid services).

Are indirect/overhead costs and direct service costs separately identified on the cost report?

Yes

No

Are both routine and ancillary service costs identified on the cost report?

Yes

No

Are ancillary service costs separately identified on the cost report?

Yes

No

Please describe how the routine and ancillary costs are reported in the cost report and how they are treated for the purpose of determining Medicaid ICF/ID cost.

Are Central Office or related entity costs allocated to the ICF/IDs?

Yes

No

Please describe how Central Office or related entity costs are identified in the cost report and are allocated to represent actual Medicaid incurred cost:

Charge Ratio Methodology (applies to both state-developed cost report and Medicare-based cost report)

Does the cost report calculate cost-to-charge ratios for defined cost centers to which allowable costs are allocated?

Yes

No

If no, please explain:

Does the cost report capture all payer cost-to-charge ratios?

- Yes
- No

Are the cost-to-charge ratios applied on a facility-wide or cost center-specific basis?

- Facility-wide, inclusive of both routine and ancillary cost centers
- Facility-wide, but only for ancillary cost centers (routine cost center is on a per diem basis)
- Cost center-specific, for each ancillary cost center only (routine cost center is on a per diem basis)
- Cost center-specific, for each ancillary and routine cost center

Does the state apply the Medicaid ICF/ID charges to the cost-to-charge ratios from the same time period as the cost report data?

- Yes
- No

Are the Medicaid billed and covered charges reported to the MMIS?

- Yes
- No

Please specify the time period of the data used in the state's cost report.

Application of Medicaid days to per diem cost (applies to both state-developed cost report and Medicare-based cost report)

Does the cost report arrive at an ICF/ID cost per diem for each facility and apply Medicaid days to the per diem?

- Yes
- No

For the determination of cost used for the per diem, is cost exclusive or inclusive of cost associated with non-certified beds?

Exclusive

Inclusive

Has the per diem cost and/or Medicaid rates been adjusted for low occupancy?

Yes

No

Is the per diem ICF/ID cost inclusive of all routine and ancillary services?

Yes

No

Does the state use paid claims data from the MMIS as the source of the Medicaid days?

Yes

No

Are the Medicaid days used in the UPL calculation from the same period as the cost report period?

Yes

No

III. The state UPL data demonstration is structured as follows:

The state conducted the UPL demonstration separately for government owned or operated, non-state government owned or operated and privately owned or operated ICF/IDs.

Yes

No

All Medicaid base and supplemental payments are included in the demonstration and are separately identified.

Yes

No

The demonstration includes all ICF/ID facilities that receive payments under Medicaid.

Yes

No

The demonstration only includes in-state ICF/IDs.

Yes

No

If the state includes out-of-state ICF/IDs in the UPL calculation, please verify that the data on cost/payments was obtained from the cost report of the out-of-state ICF/ID and that the ICF/IDs are included in the “private” provider category?

Yes

No

IV. Source of the Medicaid Payment Data

Medicaid base payment data is reported from the MMIS.

Yes

No

If the source of the payment data is a different source, please explain:

Are the dates of service for the Medicaid payment data consistent with the Medicaid cost reporting period?

Yes

No

If no, please explain:

Medicaid payment data includes ALL base, add-ons, and supplemental payments to ICF/ID providers. Base and supplemental payments must be separately identified. Note: any reimbursement paid outside of the MMIS should be included.

Yes

No

Please explain payments that are made outside of the MMIS.

Where the state makes Medicaid payment outside of Attachment 4.19-D for other services furnished to ICF/ID residents, are these Medicaid payments excluded from the UPL demonstration?

Yes

No

Please explain any excluded Medicaid payments that are made outside of 4.19-D. Also please explain how their related costs are excluded from the computation of the cost UPL.

Medicaid payment data excludes crossover claims.

Yes

No

Is the Medicaid payment reported gross or net of primary care payments, deductibles and co-pays?

Gross

Net

Describe how Medicaid payment rate changes between the base period and the UPL period are accounted for in the demonstration?

Does the dollar amount of payments for the UPL base period equal the “claimed” amounts on the CMS-64, Medicaid Expenditures report for the UPL time period?

Yes

No

If no, please provide a reconciliation and explanation of the difference?

V. The state trends and adjusts the UPL Data, as below:

Does the state trend the UPL for inflation?

Yes

No

Explain the trending factor and its source.

Does the state exclude capital costs from the trending?

Yes

No

Is the inflation trend applied from “mid-point to the mid-point” in order to most accurately project future experience?

Yes

No

Does the state trend the UPL for volume/utilization?

Yes

No

Explain the volume/utilization adjustment, including: how it will assure the UPL does not over or understate the volume of Medicaid ICF/ID services provided in the rate year, how it is applied and that it is applied consistently to the Medicare equivalent (the UPL) and Medicaid payment data:

Please explain all additional trends or factors that are used in the demonstration and their application:

Does the state apply a claims completion factor to the payment data?

- Yes
- No

Please explain the claims completion factor and its application:

Does the state apply a claims completion factor to the Medicaid day and/or charge data?

- Yes
- No

Please explain the claims completion factor and its application:

Is the claims completion factor equally applied to the payment and Medicaid day and/or charge data?

- Yes
- No

VI. The state meets ICF/ID UPL demonstration requirements, as below:

The state has submitted supporting spreadsheet data to CMS, by provider, that demonstrates:

The state under the UPL in the aggregate for state-owned ICF/IDs?

- Yes

No

The state under the UPL in the aggregate for non-state-owned ICF/IDs?

Yes

No

The state under the UPL in the aggregate for private ICF/IDs?

Yes

No

PRA Disclosure Statement

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0938-1148 (CMS-10398 #24). The time required to complete this information collection is estimated to average 40 per response, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. If you have comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: CMS, 7500 Security Boulevard, Attn: PRA Reports Clearance Officer, Mail Stop C4-26-05, Baltimore, Maryland 21244-1850.