

## **Chapter 2 - Payment Method**

Federal law requires that states use published payment methodologies and justifications which specify comprehensively the methods and standards for making Medicaid provider payments to long term care facilities.

### **2-1 Assurance of Payment**

Certified Title XIX Long Term Care Facilities furnishing services in accordance with all state and federal Medicaid laws and rules will be paid in accordance with rates established under the state Medicaid plan.

### **2-2 Acceptance of Payment**

Participation in the Title XIX Program is limited to those Facilities which agree to accept the Medicaid payment as payment in full for all care services provided to Medicaid recipients.

### **2-3 Rate Limitations Based on Medicaid Rates**

The purpose of this provision is to assure that the Medicaid program is not charged unfairly high rates as compared to other payers. To that end, Medicaid reimbursement is limited by the weighted average per diem rates charged to other payers. Specifically if a long-term care facility charges other long-term care payers less than 80% of the Medicaid rate for long-term care services, (except for those public facilities rendering long-term care services free of charge or at a nominal charge) then the weighted average Medicaid reimbursement will be reduced to no more than 125% of the facility's weighted average reimbursement. For purposes of applying this rule: (1) Weighted average per diem rates for other payers will be compared to the weighted average Medicaid per diem rates by fiscal year; (2) The 60 consecutive days after a Medicaid rate increase shall not be considered; and (3) No facility shall be required to make a retroactive rate adjustment.

### **2-4 Facility Class**

The Department has established the following specific payment methods:

