11-91 STATE ORGANIZATION AND GENERAL ADMINISTRATION 2501

2501. FEDERAL MEDICAL ASSISTANCE PERCENTAGES (FMAP) - STATE-BY-STATE TABLES

This section provides the FMAP for determining the amount of Federal matching in State medical expenditures. The table gives figures for the 50 States, the District of Columbia, Guam, Northern Mariana Islands, Puerto Rico, American Samoa, and the Virgin Islands. The percentages apply to State expenditures for assistance payments and medical services. The statute provides separately for Federal matching of administrative costs.

Section 9528 of Public Law 99-272 revised §1101(a)(8) of the Act and requires HCFA to publish these percentages annually, and to figure them, by formulas set forth in 1905(b) of the Act, from the Department of Commerce statistics of average income per person in each State and in the Nation as a whole. The FMAP is computed by the Office of Family Assistance, Family Support Administration.

The FMAP is for the Medicaid program. States may claim at the FMAP without regard to any maximum on the dollar amounts per recipient which may be counted under paragraphs (1) and (2) of §§3(a), 403(a), and 1603(a) of the Act.

FMAP rates for all States and other approved participants in the Medicaid program are shown for the following fiscal year periods:

October 1, 1988 - September 30, 1989 (Fiscal Year 1989)

October 1, 1989 - September 30, 1990 (Fiscal Year 1990)

October 1, 1990 - September 30, 1991 (Fiscal Year 1991)

October 1, 1991 - September 30, 1992 (Fiscal Year 1992)

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FEDERAL MEDICAL ASSISTANCE PERCENTAGES

FY 1989 FY 1990 FY 1991 FY 1992

FMAP FMAP FMAP FMAP

ALABAMA 73.10 73.21 72.73 72.93

ALASKA 50.00 50.00 50.00 50.00

AMERICAN SAMOA 50.00 50.00\* 50.00\* 50.00\*

ARIZONA 62.04 60.99 61.72 62.51

ARKANSAS 74.14 74.58 75.12 75.66

CALIFORNIA 50.00 50.00 50.00 50.00

COLORADO 50.00 52.11 53.59 54.79

CONNECTICUT 50.00 50.00 50.00 50.00

DELAWARE 52.60 50.00 50.00 50.00

DISTRICT OF COLUMBIA 50.00 50.00 50.00 50.12

FLORIDA 55.18 54.70 54.46 54.69

GEORGIA 62.78 62.09 61.34 61.78

GUAM 50.00\* 50.00\* 50.00\* 50.00\*

HAWAII 53.99 54.50 54.14 52.57

IDAHO 72.71 73.32 73.65 73.24

ILLINOIS 50.00 50.00 50.00 50.00

INDIANA 63.71 63.76 63.24 63.85

IOWA 62.95 62.52 63.41 65.04

KANSAS 54.93 56.07 57.35 59.23

KENTUCKY 72.89 72.95 72.96 72.82

LOUISIANA 71.07 73.12 74.48 75.44

MAINE 66.68 65.20 63.49 62.40

MARYLAND 50.00 50.00 50.00 50.00

MASSACHUSETTS DPW 50.00 50.00 50.00 50.00

MASSACHUSETTS BLIND 50.00 50.00 50.00 50.00

MICHIGAN 54.75 54.54 54.17 55.41

MINNESOTA 53.07 52.74 53.43 54.43

MISSISSIPPI 79.80 80.18 79.93 79.99

MISSOURI 59.96 59.18 59.82 60.84

MONTANA 70.62 71.35 71.73 71.70

NEBRASKA 60.37 61.12 62.71 64.50

NEVADA 50.00 50.00 50.00 50.00

NEW HAMPSHIRE 50.00 50.00 50.00 50.00

NEW JERSEY 50.00 50.00 50.00 50.00

NEW MEXICO 71.54 72.25 73.38 74.33

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FEDERAL MEDICAL ASSISTANCE PERCENTAGES

FY 1989 FY 1990 FY 1991 FY 1992

FMAP FMAP FMAP FMAP

NEW YORK 50.00 50.00 50.00 50.00

NORTH CAROLINA 68.01 67.46 66.60 66.52

NORTH DAKOTA 66.53 67.52 70.00 72.75

N. MARIANA ISLANDS 50.00\* 50.00\* 50.00\* 50.00

OHIO 58.98 59.57 59.93 60.63

OKLAHOMA 66.06 68.29 69.65 70.74

OREGON 62.44 62.95 63.50 63.55

PENNSYLVANIA 57.42 56.86 56.64 56.84

PUERTO RICO 50.00\* 50.00\* 50.00\* 50.00\*

RHODE ISLAND 55.88 55.15 53.74 53.29

SOUTH CAROLINA 73.08 73.07 72.58 72.66

SOUTH DAKOTA 71.02 70.90 71.69 72.59

TENNESSEE 70.17 69.64 68.57 68.41

TEXAS 59.04 61.23 63.53 64.18

UTAH 73.86 74.70 74.89 75.11

VERMONT 63.92 62.77 61.97 61.37

VIRGINIA 51.20 50.00 50.00 50.00

VIRGIN ISLANDS 50.00\* 50.00\* 50.00\* 50.00\*

WASHINGTON 53.06 53.88 54.21 54.98

WEST VIRGINIA 76.14 76.61 77.00 77.68

WISCONSIN 59.31 59.28 59.62 60.38

WYOMING 62.61 65.95 68.14 69.10

\*FOR PURPOSES OF §1118 OF THE ACT, THE PERCENTAGE USED UNDER TITLES I, X, XIV, AND XVI AND PART A OF TITLE IV IS 75 PERCENT.

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04-84 STATE ORGANIZATION AND GENERAL ADMINISTRATION 2502

2502. INTEREST ON DISPUTED MEDICAID CLAIMS

In any case in which a State’s claim for Federal financial participation (FFP) has been disallowed by the Health Care Financing Administration (HCFA) under Section 1116(d) of the Social Security Act (the Act), the State may appeal the disallowance to the Departmental Grant Appeals Board (the Board). If the State does appeal, it may choose to retain the funds in dispute during the course of the appeal or it may choose to have HCFA recover the disputed funds until the Board reaches a decision. (The State’s option applies only to claims disallowed for services furnished on or after October 1, 1980.) If the State chooses to retain the funds and the Board upholds the disallowance, the State will have the amount of the disallowance and interest charge offset by a revised grant award. HCFA will process a negative grant award within 10 days of receiving notice from the Board.

2502.1 Authority.--Section 1903(d)(5) of the Act was self-implementing as enacted by Section 961 of the Omnibus Reconciliation Act of 1980 (Public Law 96-499). The law, as enacted, provided for a limitation on the length of the period interest could be charged. However, this limitation was deleted by Section 2163 of the Omnibus Budget Reconciliation Act of 1981 (Public Law 97-35).

42 CFR 443.38, published at 48 Federal Register 29480 (June 27, 1983), provided clarifying procedures effective July 27, 1983.

2502.2 Required Procedures if a State Exercises its Option to Retain Funds.--If a State appeals a disallowance and wishes to retain the disputed funds during the administrative appeal, it must mail a notice to the HCFA Regional Administrator specifying that it is exercising its option to retain the disputed funds. This notice must be mailed within 30 days of the receipt of the disallowance notice, as established by the certified mail receipt accompanying the notice. The option to retain funds cannot apply to a portion of the appeal but must be exercised for the entire amount in dispute.

If the State appeals and does not notify the HCFA Regional Administrator in writing, within 30 days, that it wishes to retain the disputed funds, HCFA will recover the appropriate disputed funds. HCFA will process a negative grant award within 10 days after the lapse of the 30 day period in which the State may exercise its option.

2502.3 Required State Procedures if a State Wishes to Reverse its Election to Retain Funds.--If, during the course of the appeal before the Board, the State wishes to reverse its election to retain the disputed funds, either to limit a possible interest charge or for any other reason, it may do so without withdrawing its appeal. As in its election to retain funds, the decision to reverse its prior election must apply to the entire amount in dispute.

The State must notify the Regional Administrator, in writing, if it wishes to have HCFA recover the appropriate disputed funds. HCFA will recover the funds if the State reverses its election to retain them by processing a negative grant award within 10 days

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2502.5 STATE ORGANIZATION AND GENERAL ADMINISTRATION 04-84

of receiving written notice from the State. If the disallowance is subsequently upheld, interest from the date of disallowance to the date HCFA received notice from the State that it no longer wished to retain the disputed funds will be offset by processing a negative grant award within 10 days of HCFA’s receipt of the Board’s decision.

In the case of the withdrawal of an appeal, in whole or in part, notice to the Board, HCFA§s attorney, and the Regional Administrator is required. Interest on funds retained by the State, for which it withdraws its appeal, will be charged from the date of disallowance to the date HCFA receives written notice from the State of its withdrawal. A negative grant award will be processed within 10 days after HCFA receives the State’s withdrawal.

2502.4 Interest Charge.--When the Board upholds a disallowance and the State has elected to retain the funds during appeal, interest will be offset on a revised grant award issued after the Board§s decision. Since there is no interest charged unless the Board upholds the disallowance, interest cannot be computed before the Board’s decision. The interest charge is computed from the date of disallowance to the date the Board reached a decision to uphold the disallowance. If the State withdraws an appeal, in whole or in part, or reverses its election to retain the disputed funds, interest is computed for the length of time and for the amount the State held before (1) withdrawal of an appeal, or (2) reversal of its election to retain funds. In cases where the State and HCFA reach a settlement, prior to a decision by the Board, interest is charged on the agreed unallowable amount from the date of the original disallowance to the date of written agreement between the State and HCFA.

If the State does not exercise its option to retain the disputed funds within 30 days of the disallowance, or reverses its option at some future date, it has no further option to retain the disputed funds.

The interest charge is based on the average of the bond equivalent of the 90-day Treasury Bills auctioned weekly during the period the State retains the funds after the date of disallowance.

2502.5 Limitation.--The interest charge specified by this law does not apply to:

A) A disallowance or portion of a disallowance which covers services furnished before October 1, 1980,

B) Claims for expenditures which were deferred and disallowed within the time limit for reaching a decision on the allowability of a deferral, or

C) Claims for expenditures that have never been paid by HCFA on a grant award because the disallowance notice had been issued before the grant award.

The law gives the State the option to "retain" disputed funds during any administrative appeal of a disallowance. Therefore, it has no option concerning the funds described in limitations number B and C above.

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The State’s option to retain funds does not apply to the period of any subsequent judicial appeal. However, any interest charged to the State will be returned if, at the end of all judicial appeals, the State’s claims are found to be allowable.

Quarterly withholdings under Section 133 of the Tax Equity and Fiscal Responsibility Act of 1982, Public Law 97-248, are not disallowances and, therefore, are not appealable or subject to interest payments.

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02-92 STATE ORGANIZATION ADMINISTRATION 2505

2504. DEEMING AND WAIVER OF NURSE AIDE TRAINING AND COMPETENCY EVALUATION REQUIREMENTS

The Omnibus Budget Reconciliation Act of 1987 (OBRA 1987) included provisions prohibiting facilities from using as nurse aides any individuals who have not successfully completed a nurse aide training and competency evaluation program or competency evaluation program approved by the State. OBRA 1987 and OBRA 1989 deemed some individuals to meet this requirement and permitted States to waive this requirement for others. All individuals who are deemed to have met the nurse aide training and competency evaluation requirements or for whom you have waived the requirement to complete a competency evaluation program must be included in the nurse aide registry described in §4460.

A nurse aide is deemed to satisfy the requirement of completing a nurse aide training and competency evaluation program if, before July 1, 1989, he or she had completed a nurse aide training and competency evaluation program of at least 60 hours and had made up at least the difference between the number of hours in the program he or she completed and 75 hours in supervised practical nurse aide training or in regular in-service nurse aide education.

A nurse aide is deemed to satisfy the requirement of completing a nurse aide training and competency evaluation program if, before July 1, 1989, the individual was found competent (whether or not by the State) after the completion of nurse aide training of at least 100 hours duration.

You may deem an individual to have completed a nurse aide training and competency evaluation program if the individual completed, before July 1, 1989, a nurse aide training and competency evaluation program that you determine would have met the requirements for approval at the time it was offered.

You may waive the requirement for an individual to complete a nurse aide competency evaluation program for any individual who can demonstrate to your satisfaction that he or she has served as a nurse aide at one or more facilities of the same employer in the State for at least 24 consecutive months before December 19, 1989.

Any individual described above may be used as a nurse aide by a NF if that individual is also competent to perform nursing or nursing related services.

2505. NURSE AIDE TRAINING AND COMPETENCY EVALUATION PROGRAMS AND COMPETENCY EVALUATION PROGRAMS

OBRA 1987 requires States to specify those nurse aide training and competency evaluation programs and those competency evaluation programs they approve. Follow the requirements detailed in §§2505.1 through 2505.3 when reviewing and approving programs and when withdrawing approval from programs. You may choose to offer your own training and competency evaluation programs and/or competency evaluation programs as long as they meet these requirements.

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2505.1 STATE ORGANIZATION AND GENERAL ADMINISTRATION 02-92

2505.1 Approval of Programs.--If you do not choose to offer a nurse aide training and competency evaluation program or competency evaluation program, you must review and approve or disapprove all nurse aide training and competency evaluation programs and competency evaluation programs upon request. You may approve nurse aide training and competency evaluation programs and competency evaluation programs offered by any entity as long as the requirements for approval are met.

A. Requirements for approval of programs.--Before approving a nurse aide training and competency evaluation program or competency evaluation program,

o For nurse aide training and competency evaluation programs, determine whether the requirements of §2505.2 are met;

o For nurse aide competency evaluation programs, determine whether the requirements of §2505.3 are met; and

o In all reviews other than the initial review, visit the entity providing the program.

B. Timeframes for Review.--Within 90 days of a request to review a program or receipt of additional information from a requester, you must:

o Advise the requestor whether the program has been approved; or

o Request additional information.

You may not grant approval of a program for more than 2 years. You must require programs to notify you when there are substantive changes to the program within the 2-year period and review programs to which substantive changes are made.

C. Prohibition of Program Approval.--Do not approve nurse aide training and competency evaluation programs or competency evaluation programs offered by or in a NF if, in the 2 years prior to your review, that NF:

o Has operated under a waiver under §1919(b)(4)(C)(ii) of the Act that was granted on the basis of a demonstration that the NF was unable to provide nursing care required under §1919(b)(4)(C)(i) of the Act for a period in excess of 48 hours per week;

o Has been subject to an extended (or partial extended) survey under §1919(g)(2)(B)(i) of the Act;

o Has been assessed a civil money penalty described in §1919(h)(2)(A)(ii) of the Act of not less than $5,000; or

o Has been subject to a remedy described in §§1919(h)(1)(B)(i) or 1919(h)(2)(A)(i), (iii), or (iv) of the Act.

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02-92 STATE ORGANIZATION AND GENERAL ADMINISTRATION 2505.2

Do not (until 2 years since the penalty was assessed has elapsed) approve nurse aide training and competency evaluation programs or competency evaluation programs offered by or in a NF, that, within the 2-year period beginning on October 1, 1988:

o Had its participation terminated under the State plan under title XIX of the Act;

o Was subject to a denial of payment under title XIX of the Act;

o Was assessed a civil money penalty of not less than $5,000 for deficiencies in nursing facility standards;

o Operated under temporary management appointed to oversee the operation of the facility and to ensure the health and safety of its residents; or

o Pursuant to State action, was closed or had its residents transferred.

D. Withdrawal of Approval.--You must withdraw approval from:

o Any nurse aide training and competency evaluation program or competency evaluation program described in subsection C, and

o Any nurse aide training and competency evaluation program or competency evaluation program if the entity offering the program refuses to permit unannounced State visits.

You may withdraw approval of a nurse aide training and competency evaluation program or competency evaluation program if you determine that any of the requirements described in §§2505.2 and 2505.3are not met by the program. You may also withdraw approval from any program which does not meet any requirements you have in excess of the minimum Federal requirements or which otherwise fails to meet your standards.

When withdrawing approval from a nurse aide training and competency evaluation program or a competency evaluation program,

o Notify the program in writing, indicating the reason or reasons for withdrawal of approval; and

o In the case of a training and competency evaluation program, permit students who have already started the program to finish it.

2505.2 Requirements for Nurse Aide Training and Competency Evaluation Programs.--

A. Hours of Training.--A nurse aide training and competency evaluation program must consist of a minimum of 75 clock hours of training for you to approve it. You may require additional hours of training if you wish.

B. Restrictions on Activities of Students in a Nurse Aide Training and Competency Evaluation Program.--Do not approve a program unless it ensures that:

o Students do not perform any services for which they have not trained and been found proficient by the instructor; and

o Students providing services to residents are under the general supervision of a licensed nurse or a registered nurse.

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2505.2 (Cont.) STATE ORGANIZATION AND GENERAL ADMINISTRATION 02-92

C. Instructor Qualifications.--The training of nurse aides must be performed by or under the general supervision of a registered professional nurse who possesses a minimum of 2 years of nursing experience, at least 1 year of which must be in the provision of long-term care facility services. Instructors of nurse aides must have completed a course in teaching adults or have experience in teaching adults or supervising nurse aides. In a facility-based program, the training of nurse aides may be performed under the general supervision of the director of nursing, who is prohibited from performing the actual training.

Other individuals may supplement the instructor. The following list contains suggestions of those who might be useful in a nurse aide training and competency evaluation program:

o Registered nurses;

o Licensed practical/vocational nurses;

o Pharmacists;

o Dietitians;

o Social workers;

o Sanitarians;

o Fire safety experts;

o Nursing home administrators;

o Gerontologists;

o Psychologists;

o Physical and occupational therapists;

o Activities specialists;

o Speech/language/hearing therapists; and

o Resident rights experts.

The program may utilize individuals from fields other than those listed as examples if needed to meet the planned program objectives for a specific unit. Supplemental personnel must have a minimum of 1 year of experience in their fields. You may wish to require that these individuals be, where applicable, licensed, registered, and/or certified in their field.

D. Minimum Curriculum Requirements.--The objective of nurse aide training and competency evaluation programs is to enable nurse aides to provide quality services to residents. Therefore, a nurse aide training and competency evaluation program must contain at least these minimum curriculum requirements for you to approve it. You may also specify additional areas to be included if you wish.

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02-92 STATE ORGANIZATION AND GENERAL ADMINISTRATION 2505.2 (Cont)

Within the minimum 75 hours of training, at least 16 hours must be devoted to supervised practical training. Supervised practical training is defined as training in a laboratory or other setting in which the student demonstrates knowledge while performing tasks on an individual under the direct supervision of a registered nurse or a licensed practical nurse. A program must also include at least 16 hours of classroom instruction prior to a trainee’s direct involvement with a resident. This instruction must include the following:

o Communication and interpersonal skills;

o Infection control;

o Safety/emergency procedures, including the Heimlich maneuver;

o Promoting residents’ independence; and

o Respecting residents’ rights.

The curriculum must also include training in the following areas:

o Basic Nursing Skills

- Taking and recording vital signs;

- Measuring and recording height and weight;

- Caring for the residents’ environment;

- Recognizing abnormal changes in body functioning and the importance of reporting such changes to a supervisor. Some examples of abnormal changes are:

+ Shortness of breath;

+ Rapid respiration;

+ Fever;

+ Coughs;

+ Chills;

+ Pains in chest;

+ Blue color to lips;

+ Pain in abdomen;

+ Nausea;

+ Vomiting;

+ Drowsiness;

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2505.2 (Cont.) STATE ORGANIZATION AND GENERAL ADMINISTRATION 02-92

+ Excessive thirst;

+ Sweating;

+ Pus;

+ Blood or sediment in urine;

+ Difficulty urinating;

+ Frequent urination in small amounts;

+ Pain or burning on urination; and

+ Urine has dark color or strong odor; and

- Caring for residents when death is imminent.

o Personal Care Skills--

- Bathing;

- Grooming, including mouth care;

- Dressing;

- Toileting;

- Assisting with eating and hydration;

- Proper feeding techniques;

- Skin-care; and

- Transfers, positioning, and turning.

o Mental Health and Social Service Needs--

- Modifying aide’s behavior in response to resident’s behavior;

- Awareness of developmental tasks associated with the aging process;

- How to respond to resident behavior;

- Allowing residents to make personal choices, providing and reinforcing other behavior consistent with the resident’s dignity; and

- Utilizing resident’s family as a source of emotional support.

o Care of cognitively impaired residents--

- Techniques for addressing the unique needs and behaviors of individuals with dementia (Alzheimer’s and others);

- Communicating with cognitively impaired residents;

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02-92 STATE ORGANIZATION AND GENERAL ADMINISTRATION 2505.2 (Cont.)

- Understanding the behavior of cognitively impaired residents;

- Appropriate responses to the behavior of cognitively impaired residents; and

- Methods of reducing the effects of cognitive impairments.

o Basic Restorative Services. The nurse aide should be able to demonstrate skills which incorporate principles of restorative nursing, including:

- Training the resident in self-care according to the resident§s abilities;

- The use of assistive devices in transferring, ambulation, eating, and dressing;

- Maintenance of range of motion;

- Proper turning and positioning both in bed and chair;

- Bowel and bladder training; and

- Care and use of prosthetic and orthotic devices.

o Residents’ Rights. The nurse aide should be able to demonstrate behavior which maintains residents’ rights, including but not limited to:

- Providing privacy and maintenance of confidentiality;

- Promoting the resident’s right to make personal choices to accommodate their needs;

- Giving assistance in resolving grievances and disputes;

- Providing needed assistance in getting to and participating in resident and family groups and other activities;

- Maintaining care and security of resident’s personal possessions;

- Providing care which maintains the resident free from abuse, mistreatment, and neglect; and reporting any instances of such treatment to appropriate facility staff; and

- Avoiding the need for restraints in accordance with current professional standards.

E. Competency Evaluation Component.--All nurse aide training and competency evaluation programs must contain competency evaluation procedures that meet the requirments specified in §2505.3.

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2505.3 STATE ORGANIZATION AND GENERAL ADMINISTRATION 02-92

F. Prohibition of Charges.--No nurse aide who is employed by, or who has an offer of employment from, a facility on the date on which the aide begins a nurse aide training and competency evaluation program may be charged for any portion of the program (including any fees for textbooks or other required course materials). If an individual who is not employed, or does not have an offer to be employed as a nurse aide, becomes employed by, or receives an offer of employment from, a facility not later than 12 months after completing a nurse aide training and competency evaluation program, the State must provide for the reimbursement for costs incurred in completing the program on a pro rata basis during the period in which the individual is employed as a nurse aide.

2505.3 Requirements for Nurse Aide Competency Evaluation Programs.--

A. Notification to Individual.--You must provide advance notice to any individual who takes the competency evaluation that a record of the successful completion of the evaluation will be included in the nurse aide registry.

B. Content of the Competency Evaluation Program.--Competency evaluations must consist of two components: a written or oral examination and a skills demonstration program. The written or oral examination must:

o Allow aides to choose between a written and an oral examination;

o Address each item specified in §2505.2.D;

o Be developed from a pool of test questions, only a portion of which is used in any one examination;

o Use a system that prevents disclosure of both the test questions and the individual competency evaluations; and

o If oral, must be read from a prepared text in a neutral manner.

The skills demonstration must consist of a demonstration of randomly selected items drawn from a pool consisting of the tasks generally performed by nurse aides. This pool of skills must include all of the personal care skills listed in §2505.2.D.

C. Administration of the Competency Evaluation Program.--The competency evaluation must be administered and evaluated only by:

o The State directly; or

o A State approved entity which is not the NF which provided the training.

No nurse aide who is employed by, or who has an offer of employment from, a facility on the date on which the aide begins a nurse aide competency evaluation program may be charged for any portion of the program. If an individual who is not employed, or does not have an offer to be employed, as a nurse aide becomes employed by, or receives an offer of employment from, a facility not later than 12 months after completing a nurse aide competency evaluation program, the State must provide for the reimbursement of costs incurred in completing the program on a pro rata basis during the period in which the individual is employed as a nurse aide.

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The skills demonstration component of the evaluation must be:

o Performed in a facility or laboratory setting similar to the setting in which the individual will function as a nurse aide; and

o Administered and evaluated by a registered nurse with at least 1 year’s experience in providing care for the elderly or the chronically ill of any age.

D. Proctoring.--The competency evaluation may, at the nurse aide’s option, be conducted at the facility in which the nurse aide is or will be employed unless the facility is described in §2505.1.C:

You may permit the competency evaluation to be proctored by facility personnel if you find that the procedure adopted by the facility assures that the competency evaluation program:

o Is secure from tampering;

o Is standardized and scored by a testing, educational, or other organization approved by the State; and

o Requires no scoring by facility personnel.

You must retract the right to proctor nurse aide competency evaluations from facilities in which you find any evidence of impropriety, including evidence of tampering by facility staff.

E. Successful Completion of the Competency Evaluation Program.--You must establish a standard for successful completion of the competency evaluation. To complete the competency evaluation successfully, an individual must pass both the written or oral examination and the skills demonstration. A record of successful completion of the competency evaluation must be included in the nurse aide registry described in §4460 within 30 days of the date the individual is found to be competent.

F. Unsuccessful Completion of the Competency Evaluation.--If an individual does not complete the evaluation satisfactorily, the individual must be advised:

o Of the areas which he or she did not pass; and

o That he or she has at least three opportunities to take the evaluation.

You may impose a maximum on the number of times an individual may attempt to complete the competency evaluation successfully, but the maximum may be no less than three.

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10-92 STATE ORGANIZATION AND GENERAL ADMINISTRATION 2514

2514. FEDERAL FINANCIAL PARTICIPATION (FFP) FOR NURSE AIDE TRAINING AND COMPETENCY EVALUATION PROGRAMS (NATCEPs) AND COMPETENCY EVALUATION PROGRAMS (CEPs).

A. Statutory Requirements.--OBRAs 1987, 1989 and 1990 set forth specific requirements for training and competency evaluation of nurse aides.

o On or after October 1, 1990, nursing facilities (NFs) must not use on a full time basis any individual as a nurse aide for more than 4 months unless the individual has successfully completed either a NATCEP or a CEP approved by the State. For current employees used as nurse aides prior to January 1, 1990, a NF must provide for a CEP and any preparation necessary for those individuals to complete such a program by October 1, 1990. (See §§1919(b)(5)(A) and (B) of the Act.)

o On or after January 1, 1991, NFs must not use on a temporary, per diem, leased, or on any other basis other than as a permanent employee any individual as a nurse aide unless the individual has successfully completed either a NATCEP or a CEP approved by the State.

o As a condition of approval of your State plan, you were to specify by January 1, 1989 the NATCEPs or CEPs that you approve and that meet Federal requirements. (See §1919(e)(1)(A) of the Act.)

o Section 1903(a)(2)(B) of the Act provides that NF costs incurred in relation to training and competency evaluation of nurse aides, current and future, are considered as State administrative expenses and as such are reimbursed for the period July 1, 1988 through September 30, 1990 at the lesser of:

- 90 percent, or

- Your Federal medical assistance percentage plus 25 percentage points.

State-incurred administrative costs for NATCEPs and CEPs are also reimbursed at the enhanced rate for the same period of time. As of October 1, 1990, the NF costs and State-incurred administrative costs incurred for NATCEPs and CEPs are reimbursed at the normal administrative matching rate of 50 percent.

o Section 6901(b)(5)(B) of OBRA 1989 provides that no expenditures for NATCEPs or CEPs, whether incurred by NFs or the State, are allocated to Medicare before October 1, 1990.

B. FFP for Nursing Facility Costs.--The NF costs for training and competency evaluation of its nurse aides must be identified separately from other NF costs incurred in furnishing services to Medicaid recipients. These costs include any charge for training and/or the cost of the competency evaluation plus necessary textbooks and other required course materials. It could also possibly include the cost of transportation of the aide to the training or testing site if this cost is considered as a necessary expense. When submitted to you for reimbursement, claim these expenditures as State administrative costs on Form HCFA-64.

Prior to October 1, 1990, there is no allocation of these NF costs to private pay patients or Medicare. During the period July 1, 1988 through September 30, 1990, these NF costs are reimbursed as State Medicaid administrative costs at the enhanced rate.

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2514 (Cont.) STATE ORGANIZATION AND GENERAL ADMININISTRATION 10-92

On October 1, 1990 and thereafter, allocation of NF costs for training and competency evaluation of nurse aides must be made to Medicaid, Medicare and private pay patients. The allocation is based on patient days of service.

As of October 1, 1990, continue to claim the allocated Medicaid portion of NF costs as State administrative costs. Reimbursement is at the 50 percent administrative matching rate. (The Medicare requirement in §4201(b) of OBRA 1987, which amends §1861(v)(1)(E) of the Act, provides that the reimbursement rate for Medicare services take into account, based on patient days of services furnished, the NF costs of complying with the nurse aide training and competency evaluation requirements, including the costs of conducting the nurse aide training and/or competency evaluation programs.)

C. FFP for State Administrative Costs.--Section 1903(a)(2)(B) of the Act provides that State administrative expenditures incurred for NATCEPs and CEPs are reimbursed at the 50 percent rate with enhanced funding during the nine quarters beginning July 1, 1988 and ending September 30, 1990. (The enhanced funding provided in OBRA 1987 was incorporated into §1903(a)(2)(B) of the Act and amended by OBRA 1990.)

As of October 1, 1990, claim FFP for the Medicaid portion of the State administrative expenditures for the NATCEPs and CEPs after allocating a portion to Medicare. There is no allocation of State-incurred administrative expenses to private pay patients or other programs except Medicare. Expenditures for your State administrative costs for NATCEPs and CEPs may include:

o Specifying those NATCEPs and CEPs that you approve as meeting Federal requirements;

o Deeming individuals to have successfully completed a NATCEP or CEP under the provisions of OBRA 1987 and OBRA 1989; and

o Determining the competency of individuals who are trained by or in a facility based program.

All of the State-incurred administrative costs for NATCEPs and CEPs that are appropriately allocated to Medicaid are claimed by the State on the Form HCFA-64.

The Medicaid/Medicare allocation of the State-incurred administrative costs is computed using a ratio based on the number of participating facilities certified for each program. Dually participating facilities are split equally between the programs.

D. Interagency Agreements.--OBRAs 1987, 1989 and 1990 set forth your requirements relating to NATCEPs and CEPs. You may want to have some of the required activities performed by the survey agency or other State agency. If you choose to delegate any part of the function to another State agency, protect the authority of the single State agency, as required by 42 CFR 431.10(e), by entering into an interagency agreement with the agency delegated by you to approve NATCEPs. The State plan must specify in comprehensive detail the responsibilities and authority of the agency designated by you. Use 42 CFR 431, Subpart M as a guideline for a written interagency agreement in such cases. The other agency bills the Medicaid agency for necessary costs which are then claimed for reimbursement on the Form HCFA-64 as Medicaid Administration.

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10-92 STATE ORGANIZATION AND GENERAL ADMINISTRATION 2514 (Cont.)

E. Training and Competency Evaluation for Non-Employees.--FFP is provided for the training and competency evaluation costs of an individual not employed by a NF if that individual has a commitment from a NF to be employed. Any reasonable documentation (e.g., letter from NF verifying the employment offer) is acceptable proof that the NF intends to employ the individual. In the case of a nurse aide who is employed by (or who has received an offer of employment from) a facility not later than 12 months after completing a State approved training and competency evaluation program or a competency evaluation program, provide for the reimbursement of the costs incurred in completing such program. Prorate reimbursement to the nurse aide over a reasonable period of time during the individual’s period of employment. You may select the period of time over which payments are made to the aides.

F. Submitting Claims for FFP.--Submit claims for NF expenditures for the facilities’ costs for NATCEPs and CEPs as State administrative expenditures on the Form HCFA-64.

Claim State administrative expenditures for the NATCEPs and CEPs, including any services performed by the survey agency or other State agency as provided for within the written interagency agreement, on the Form HCFA 64.10 or 64.10p.

Continue to claim the survey agency’s expenditures for survey and certification duties on Form HCFA-2824.

G. Enhanced Funding for Skilled Professional Medical Personnel (SPMP).-State expenditures for employees who qualify as SPMP may be reimbursed at a 75 percent matching rate under §1903(a)(2)(A) of the Act. If these SPMP are performing NATCEP and CEP activities, those expenditures are matched at the enhanced rate specified in §1903(a)(2)(B) until October 1, 1990. As of that date, the matching rate for SPMP involved with NATCEPs and CEPs reverts to 50 percent under §1903(a)(2)(B) of the Act regardless of their qualification for 75 percent matching under §1903(a)2)(A) of the Act.

H. FFP for Administration of the Nurse Aide Registry.--You are required to establish and maintain a registry of all individuals who have satisfactorily completed a State approved NATCEP or CEP. You must ensure that the names of the individuals who are either deemed to have met the nurse aide training and competency evaluation requirements or are granted waivers from the competency evaluation requirements are placed in the nurse aide registry. You may not impose any charges on a nurse aide relating to the registry. Information to be contained in the registry and availability of such information must be in accordance with requirements set forth in §1919(e)(2)(B) of the Act.

A NF must not use an individual as a nurse aide unless the facility has inquired of any State registry believed to include information concerning the individual.

Allocate a portion of the costs to establish and maintain the registry to Medicare using a ratio based on the number of participating facilities certified for each program.

Section 1903(a)(2)(B) of the Act specifies the matching rate for NATCEPs and CEPs, but it does not apply to expenditures incurred in complying with the nurse aide registry requirements. Those expenditures are reimbursed under §1903(a)(7) of the Act and are matched at the 50 percent rate with no enhancement.

Rev. 81 2-118.19

02-92 STATE ORGANIZATION AND GENERAL ADMINISTRATION 2515

2515. FEDERAL FINANCIAL PARTICIPATION FOR PREADMISSION SCREENING AND ANNUAL RESIDENT REVIEW (PASARR) ACTIVITIES

A. Statutory Requirements.--OBRAs of 1987 and 1990 specify PASARR requirements for nursing facilities (NFs) and the States. Some of these requirements are:

1. Medicaid NFs must not admit, on or after January 1, 1989, any new resident who has:

o Mental illness (MI), unless the State mental health authority has determined, based on an independent evaluation performed by a person or entity other than the State mental health authority, prior to admission, that the individual requires the level of services provided by a NF and, if so, whether the individual requires specialized services for MI; or

o Mental retardation (MR), unless the State MR or developmental disability authority has determined prior to admission that the individual requires the level of services provided by a NF, and, if so, whether the individual requires specialized services for MR. (See §1919(b)(3)(F) of the Act.)

A mentally ill individual is redefined under OBRA 1990 as one who has a serious mental illness as defined by the Secretary in consultation with the National Institute of Mental Health and does not have a primary diagnosis of dementia or a diagnosis of dementia and a primary diagnosis that is not a serious mental illness.

2. Approval of your State plan requires that:

o You have in effect, as of January 1, 1989, a preadmission screening (PAS) program for making determinations (using criteria developed by the Secretary) described in §1919(b)(3)(F) of the Act for individuals with MI or MR.

The PAS program need not provide for determinations in the case of the readmission to a NF of an individual who, after being admitted to the NF, was transferred for care in a hospital. An interfacility transfer from one NF to another NF, with or without an intervening hospital stay, is not subject to PAS.

A PAS is not to be performed for an individual admitted to a NF directly from a hospital after receiving acute inpatient care at the hospital, if the individual requires NF services for the condition for which care was received in the hospital, and the attending physician certifies, before admission to the NF, that the individual is likely to require a NF stay of less than 30 days.

o For each NF resident who has MI, the State mental health authority must review and determine (using criteria developed by the Secretary), based on an independent physical and mental examination performed by a person or entity other than the State mental health authority, whether the resident requires:

- The level of services provided by a NF or by an inpatient psychiatric hospital for individuals under age 21 or by an institution for mental diseases for individuals 65 years of age or older, and

- Specialized services for MI. (See §1919(e)(7)(B)(i) of the Act.)

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2515 (Cont.) STATE ORGANIZATION AND GENERAL ADMINISTRATION 02-92

o For each NF resident who has MR, the State MR authority must review and determine (using criteria developed by the Secretary) whether the resident requires:

- The level of services provided by a NF or the level of services of an intermediate care facility for the mentally retarded (ICF/MR), and

- Specialized services for MR. (See §1919(e)(7)(B)(ii) of the Act.)

o You have performed, by April 1, 1990, initial annual resident reviews (ARRs) on all residents with MI or MR who were not subject to PAS (i.e., residents who entered the NF prior to January 1, 1989). (See §1919(e)(7)(B)(iii)(III) of the Act.)

o You have in effect, as of April 1, 1990, an ARR program for reviewing all residents with MI or MR, regardless of whether they were initially screened under the PAS or initial ARR requirements. Conduct such reviews at least annually, or more frequently if there is a change in the resident’s condition. (See §1919(e)(7)(B)(iii)(I-II) of the Act.)

3. Reimbursement for PASARR activities:

o Is available at the 75 percent rate for expenditures found necessary by the Secretary for the proper and efficient administration of the State plan which are directly attributable to PAS and ARR activities conducted by you under §1919(e)(7) of the Act. Only direct costs allocable to PASARR are eligible for reimbursement at the enhanced FFP rate. Costs not directly allocable to PASARR are matched at the 50 percent rate. Such costs are usually indirect costs, including Statewide and departmentwide costs.

o Is not available under §1903(a) of the Act for NF services furnished to an individual for whom a PAS or ARR determination is required under §1919(b)(3)(F) or §1919(e)(7)(A) and (B) of the Act but for whom the determination is not made.

o Except as otherwise provided in an approved alternative disposition plan (ADP), is not available under §1903(a) of the Act for NF services furnished to an individual who does not require the level of services provided by a NF (except for long term mentally ill or mentally retarded residents not requiring NF services but needing specialized services who elect to remain in the NF).

B. FFP for PASARR Activities.--Your direct administrative costs for PASARR activities required under §§1919(e)(7)(A) and (B) of the Act are reimbursed at the 75 percent rate of FFP. If you choose to contract with an outside public or private organization to perform your required PASARR activities, FFP at the 75 percent rate is available for the actual §1919(e)(7) activities performed by the outside organization. You may not delegate, by subcontract or otherwise, your PASARR responsibilities to a NF (or to an entity that has a direct or indirect affiliation or relationship with such a facility).

All applicants to and residents of a NF must be screened in some preliminary fashion (Level I) to identify those individuals who appear to have MI or MR. Individuals so identified must be subjected to the PASARR (Level II) process by which the State mental health or mental retardation authority makes the

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02-92 STATE ORGANIZATION AND GENERAL ADMINISTRATION 2515 (Cont.)

required determinations about the level of services needed and the need for specialized services. If at any time during the Level II screening it is determined that the individual does not have MR or MI, stop the screening and permit the individual to enter or remain in the NF.

These requirements apply to all individuals (including private pay and Medicare patients, not just Medicaid recipients). Therefore, the 75 percent FFP under Medicaid is available for the direct costs for all your required PASARR activities without regard to the eligibility status of the individual being screened or reviewed. You do not receive any funding from Medicare for PASARR activities related to Medicare beneficiaries.

The responsibility for identifying individuals (through Level I screening) who appear to have MI or MR lies with the NF since it is prohibited from admitting any new resident who has MI or MR unless the State mental health or mental retardation authority has determined that the individual requires a NF level of care. Depending upon the method of entry of new admissions into a NF, the expense of identifying those individuals who are subject to PAS can possibly be incurred by either the NF or a State employee or contractor. Since a large portion of new admissions to NFs come directly from hospitals, you may choose to contract with hospitals to have their discharge planners do the Level I screening and referral to the State authorities for PAS. Referrals to the State of current residents for ARR are normally the responsibility of the NF (as an outcome of the routine resident assessments required under §1919(b)(3) of the Act) unless you choose to do the Level I identifications for ARR yourself in conjunction with performing Level II evaluations.

If you perform the identification screening, it is a PASARR activity and is reimbursed at the 75 percent FFP rate as an administrative cost. If the identification screen is done by the NF, it may be made part of the NF rate and therefore reimbursed as a Medicaid service at the applicable Federal medical assistance percentage. If you contract with third parties such as hospital discharge planners for the identification of individuals who appear to have MI or MR, your reimbursement rate is 75 percent. However, you may not contract with a NF for the Level I screenings and receive 75 percent FFP since the NF has the responsibility to identify and deny admission to those individuals who may have MI or MR.

Your expenditures incurred to evaluate and make the required determinations regarding the level of services and specialized services needs for individuals identified as possibly having MI or MR during either the PAS or ARR are reimbursed at the 75 percent rate. This rate also applies to the independent physical and mental evaluation by a person or entity other than the State mental health authority which is required for individuals with MI. These responsibilities cannot be delegated to NFs or any entity having a direct or indirect affiliation or relationship with a NF.

The enhanced rate of FFP is available for your expenditures for ADPs permitted under §1919(e)(7)(E) of the Act, including an automated tracking system for individuals covered by such a plan (if you wish to use automated tracking for this purpose). Expenditures for making ADP revisions permitted under OBRA 1990 are eligible for the enhanced FFP rate.

Claim your administrative costs for the PASARR activities on the Form HCFA 64, not on the Form HCFA 2824.

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2515 (Cont.) STATE ORGANIZATION AND GENERAL ADMINISTRATION 02-92

In implementing PASARR, you are building on procedures presently in place. Historically, the Medicaid agency has determined whether an individual’s physical needs were of such severity as to require NF care and/or whether an individual’s family could provide needed care in the home. Examples of activities which continue to be reimbursed at the 50 percent rate are prior authorization activities and determinations regarding individuals with the greatest need when limited beds are available. Only those expenditures made to perform those activities required by §1919(e)(7) of the Act are allowable for 75 percent FFP.

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12-85 STATE ORGANIZATION AND GENERAL ADMINISTRATION 2555

2555. INFORMATION ON TARGET EXPENDITURE LEVELS, REDUCTIONS IN

MEDICAID PAYMENTS, AND COMPUTATION OF INCENTIVE REBATES TO

STATES

Section 2161 of the Omnibus Budget Reconciliation Act (OBRA) of 1981 provides in part that the Federal payments to which a State is entitled under Medicaid are to be reduced by 3.0 percent of each quarter’s payment in fiscal year (FY) 1982, 4.0 percent in FY 1983, and 4.5 percent in FY 1984. However, Congress stipulated that a State will be entitled to a dollar for dollar offset in the reductions to Federal Medicaid payments if total Federal Medicaid funding of the State’s program, for each FY 1982 through 1984, falls below a specified target amount. Congress established the target amount for FY 1982 as equal to 109.0 percent of each State’s estimate of the amount of Federal funding it would be paid for FY 1981, and stipulated that the State estimates to be used would be the last received by the Secretary before April 1, 1981. For FY 1983 and FY 1984, the target amounts are to be equal to the FY 1982 target amount increased or decreased by the percentage increase or decrease in the index of the medical care expenditure component of the Consumer Price Index (CPI) for all urban consumers (U.S. city average) published by the Bureau of Labor Statistics.

The following tables provide a State by State listing of target expenditure levels for FY 1982, FY 1983, and FY 1984 as well as the FY 1981 estimates upon which the target levels were based. The tables show target level amounts for Medical Assistance Payments (MAP) and Administration (ADM), and the combined targets. The law requires that the incentive rebate computation be based not on a separate MAP or ADM target, but on the total target. The FY 1982 target amounts represent 109.0 percent of the latest Federal share estimates for FY 1981 submitted by the States prior to April 1, 1981, after adjustment by HCFA to exclude Indian Health Service expenditures and claims relating to expenditures before October 1, 1980. The FY 1983 target amounts are equal to 107.5 percent of the FY 1982 targets because the medical care expenditure component of the CPI for all urban consumers increased from 336.0 to 361.2, 7.5 percent, between September 1982 and September 1983. The FY 1984 target amounts are equal to 114.0 percent of the FY 1982 targets because the medical CPI for September 1984 was 383.1, a 14.0 percent increase over the September 1982 index.

In implementing the provisions of OBRA Section 2161, HCFA takes into account the following special considerations:

Payments to States for services provided through Indian Health Service facilities and for funding of Medicaid fraud control units are exempted from the Medicaid reductions and target amount calculations.

Federal payments made in FYs 1982, 1983, and 1984 for State expenditures made in FY 1981 or prior years are not subject to the 3.0, 4.0, and 4.5 percent reductions. However, Federal payments made in FYs 1982, 1983, and 1984 for State FY 1981 expenditures will be included in the calculation of total Federal payments for FYs 1982, 1983, and 1984 in determining the State’s eligibility for an incentive rebate.

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2555 (Cont.) STATE ORGANIZATION AND GENERAL ADMINISTRATION 12-85

The steps used by HCFA to calculate the FY 1982 incentive rebates are:

1. Analyze the Form HCFA-64 expenditure reports for each quarter of FY 1982, categorizing the amounts on lines 6 through 11 as pre-FY 1981, FY 1981, or FY 1982 expenditures to identify total unadjusted expenditures by FY. (NOTE: Amounts reported on line 9 are considered current.)

2. Analyze the Form HCFA-64 expenditure reports subsequent to FY 1982 to identify any expenditures for FY 1982.

3. Remove all Indian Health Service expenditures from the FY 1981 and FY 1982 amounts obtained in steps 1 and 2.

4. Remove any net deferrals, suspensions, disallowances, and settlements from the FY 1981 and FY 1982 expenditures. This produces the total adjusted expenditures for FY 1981 and FY 1982.

5. Obtain the FY 1982 expenditures for State Survey and Certification identified by FY.

6. Apply to the FY 1982 expenditures obtained in step 4 the lower of the FY 1981 or FY 1982 Federal Medical Assistance Percentages (FMAP). This procedure is applicable only to MAP amounts as the rates for ADM do not change between FYs.

7. Add the FY 1981 and FY 1982 total adjusted expenditures from step 4 to the expenditures from step 5 and any adjustments from step 6 to determine the total Federal share of expenditures to be compared with the target.

8. Subtract the step 7 results from the target figure; if the expenditures are lower than the target, the State qualifies for an incentive rebate.

9. Add the Section 2161 reductions taken on the State Survey and Certification Grants to the Section 2161 reductions taken on Forms HCFA-152. This produces the total Section 2161 reductions taken in FY 1982.

10. Compare the amount obtained in step 8 with the amount obtained in step 9; the incentive rebate is the lesser of the two amounts.

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12-85 STATE ORGANIZATION AND GENERAL ADMINISTRATION 2555 (Cont.)

The steps used by HCFA to calculate the FY 1983 incentive rebates are:

1. Analyze the Form HCFA-64 expenditure reports for each quarter of FY 1983, categorizing the amounts on lines 6 through 11 as pre-FY 1981, FY 1981, FY 1982 or FY 1983 expenditures to identify total unadjusted expenditures by FY. (NOTE: Amounts reported on line 9 are considered current.)

2. Analyze the Form HCFA-64 expenditure reports subsequent to FY 1983 to identify any expenditures for FY 1983.

3. Remove all Indian Health Service expenditures from the FY 1981 and FY 1983 amounts obtained in steps 1 and 2.

4. Remove any net deferrals, suspensions, disallowances, and settlements from the FY 1981 and FY 1983 expenditures. This produces the total adjusted expenditures for FY 1981 and FY 1983.

5. Obtain the FY 1983 expenditures for State Survey and Certification identified by FY.

6. Apply to the FY 1983 expenditures obtained in step 4 the lower of the FY 1981 or FY 1983 Federal Medical Assistance Percentages (FMAP). This procedure is applicable only to MAP amounts as the rates for ADM do not change between FYs.

7. Add the FY 1981 and FY 1983 total adjusted expenditures from step 4 to the expenditures from step 5 and any adjustments from step 6 to determine the total Federal share of expenditures to be compared with the target.

8. Subtract the step 7 results from the target figure; if the expenditures are lower than the target, the State qualifies for an incentive rebate.

9. Add the Section 2161 reductions taken on the State Survey and Certification Grants to the Section 2161 reductions taken on Forms HCFA-152. This produces the total Section 2161 reductions taken in FY 1983.

10. Compare the amount obtained in step 8 with the amount obtained in step 9; the incentive rebate is the lesser of the two amounts.

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2555 (Cont.) STATE ORGANIZATION AND GENERAL ADMINISTRATION 12-85

The steps used by HCFA to calculate the FY 1984 incentive rebates are:

1. Analyze the Form HCFA-64 expenditure reports for each quarter of FY 1984, categorizing the amounts on lines 6 through 11 as pre-FY 1981, FY 1981, FY 1982, FY 1983, or FY 1984 expenditures to identify total unadjusted expenditures by FY. (NOTE: Amounts reported on line 9 are considered current.)

2. Analyze the Form HCFA-64 expenditure reports subsequent to FY 1984 to identify any expenditures for FY 1984.

3. Remove all Indian Health Service expenditures from the FY 1981 and FY 1984 amounts obtained in steps 1 and 2.

4. Remove any net deferrals, suspensions, disallowances, and settlements from the FY 1981 and FY 1984 expenditures. This produces the total adjusted expenditures for FY 1981 and FY 1984.

5. Obtain the FY 1984 expenditures for State Survey and Certification identified by FY.

6. Apply to the FY 1984 expenditures obtained in step 4 the lower of the FY 1981 or FY 1982 Federal Medical Assistance Percentages (FMAP). This procedure is applicable only to MAP amounts as the rates for ADM do not change between FYs.

7. Add the FY 1981 and FY 1984 total adjusted expenditures from step 4 to the expenditures from step 5 and any adjustments from step 6 to determine the total Federal share of expenditures to be compared with the target.

8. Subtract the step 7 results from the target figure; if the expenditures are lower than the target, the State qualifies for an incentive rebate.

9. Add the Section 2161 reductions taken on the State Survey and Certification Grants to the Section 2161 reductions taken on Forms HCFA-152. This produces the total Section 2161 reductions taken in FY 1984.

10. Compare the amount obtained in step 8 with the amount obtained in step 9; the incentive rebate is the lesser of the two amounts.

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12-85 STATE ORGANIZATION AND GENERAL ADMINISTRATION 2555 (Cont.)

Target Amounts for Federal Medicaid Expenditures

Fiscal Years 1982 and 1983 Summary

(Dollars in Thousands)

FY 1982 FY 1982 FY 1982 FY 1983 FY 1983 FY 1983

Target Target Total Target Target Target Total Target

STATE MAP ADM Amount MAP ADM Amount

Alabama $ 237,015 $ 8,185 $ 245,200 $ 254,791 $ 8,799 $ 263,590

Alaska 22,734 1,404 24,138 24,439 1,509 25,948

Arkansas 237,419 6,625 244,044 255,225 7,122 262,347

California 2,068,036 149,994 2,218,030 2,223,138 161,244 2,384,382

Colorado 125,227 6,654 131,881 134,619 7,153 141,772

Connecticut 201,553 10,694 212,247 216,670 11,496 228,166

Delaware 31,109 1,619 32,728 33,443 1,740 35,183

Dist. of Columbia 95,708 7,829 103,537 102,886 8,416 111,302

Florida 331,076 19,573 350,649 355,907 21,041 376,948

Georgia 397,054 16,442 413,496 426,833 17,675 444,508

Hawaii 59,466 3,550 63,016 63,926 3,816 67,742

Idaho 42,484 2,543 45,027 45,670 2,734 448,404

Illinois 792,639 32,278 824,917 852,087 34,699 886,786

Indiana 270,935 11,915 282,850 291,255 12,809 304,064

Iowa 159,098 6,587 165,685 171,030 7,081 178,111

Kansas 127,501 6,218 133,719 137,064 6,684 143,748

Kentucky 272,587 12,788 285,375 293,031 13,747 306,778

Louisiana 352,676 13,142 365,818 379,126 14,128 393,254

Maine 119,031 4,505 123,536 127,958 4,843 132,801

Maryland 255,319 12,374 267,693 274,468 13,302 287,770

Massachusetts 665,856 19,872 685,728 715,796 21,362 737,158

Michigan 719,866 52,543 772,409 773,856 56,484 830,340

Minnesota 410,812 16,212 427,024 441,623 17,428 459,051

Mississippi 212,119 8,947 221,066 228,028 9,618 237,646

Missouri 277,964 9,391 287,355 298,812 10,095 308,907

Montana 46,023 3,147 49,170 49,475 3,383 52,858

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Target Amounts for Federal Medicaid Expenditures

Fiscal Years 1982 and 1983 Summary

(Dollars in Thousands)

FY 1982 FY 1982 FY 1982 FY 1983 FY 1983 FY 1983 Target Target Total Target Target Target Total Target

State MAP ADM Amount MAP ADM Amount

Nebraska $ 83,516 $ 6,032 $ 89,548 $ 89,780 $ 6,484 $ 96,264

Nevada 30,513 2,176 32,689 32,802 2,339 35,141

New Hampshire 57,917 3,441 61,358 62,261 3,699 65,960

New Jersey 475,009 32,399 507,408 510,635 34,829 545,464

New Mexico 67,890 4,199 72,089 72,982 4,514 77,496

New York 2,699,072 163,633 2,862,705 2,901,503 175,905 3,077,408

North Carolina 357,829 18,420 376,249 384,666 19,802 404,468

North Dakota 39,727 3,036 42,763 42,706 3,264 45,970

Ohio 659,715 28,777 688,492 709,194 30,935 740,129

Oklahoma 230,390 17,854 248,244 247,669 19,193 266,862

Oregon 121,122 13,430 134,552 130,206 14,437 144,643

Pennsylvania 885,199 39,966 925,165 951,589 42,963 994,552

Rhode Island 110,617 3,569 114,186 118,913 3,837 122,750

South Carolina 216,181 8,397 224,578 232,394 9,027 241,421

South Dakota 45,036 2,417 47,453 48,414 2,598 51,012

Tennessee 340,969 12,665 353,634 366,542 13,615 380,157

Texas 755,269 64,572 819,841 811,914 69,415 881,329

Utah 75,494 4,466 79,960 81,156 4,801 85,957

Vermont 55,862 3,150 59,012 60,052 3,386 63,438

Virginia 275,049 11,139 286,188 295,678 11,974 307,652

Washington 223,540 15,731 239,271 240,305 16,911 257,216

West Virginia 92,117 5,754 97,871 99,025 6,186 105,211

Wisconsin 556,370 25,908 582,278 598,098 27,851 625,949

Wyoming 9,374 693 10,067 10,077 745 10,822

TOTAL $ 16,995,084 $ 936,855 $ 17,931,939 $ 18,269,717 $ 1,007,118 $ 19,276,835

NOTE: See accompanying statements for Target amount computations.

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12-85 STATE ORGANIZATION AND GENERAL ADMINISTRATION 2555 (Cont.)

Target Amounts for Federal Medicaid Expenditures

Fiscal Year 1984 Summary

(Dollars in Thousands)

FY 1984 FY 1984 FY 1984

Target Target Total Target

State MAP ADM Amount

Alabama $ 270,197 $ 9,331 $ 279,528

Alaska 25,916 1,601 27,517

Arkansas 270,657 7,553 278,210

California 2,357,561 170,993 2,528,554

Colorado 142,758 7,586 150,344

Connecticut 229,771 12,191 241,962

Delaware 35,464 1,846 37,310

Dist. of Columbia 109,107 8,925 118,032

Florida 377,427 22,313 399,740

Georgia 452,641 18,744 471,385

Hawaii 67,791 4,047 71,838

Idaho 48,432 2,899 51,331

Illinois 903,608 36,797 940,405

Indiana 308,866 13,583 322,449

Iowa 181,372 7,509 188,881

Kansas 145,351 7,089 152,440

Kentucky 310,750 14,578 325,328

Louisiana 402,051 14,982 417,033

Maine 135,695 5,136 140,831

Maryland 291,064 14,106 305,170

Massachusetts 759,076 22,654 781,730

Michigan 820,647 59,899 880,546

Minnesota 468,325 18,482 486,807

Mississippi 241,815 10,200 252,015

Missouri 316,879 10,706 327,585

Montana 52,466 3,588 56,054

Nebraska 95,209 6,876 102,085

Nevada 34,784 2,481 37,265

New Hampshire 66,025 3,923 69,948

New Jersey 541,510 36,935 578,445

New Mexico 77,394 4,787 82,181

New York 3,076,942 186,542 3,263,484

North Carolina 407,925 20,999 428,924

North Dakota 45,289 3,461 48,750

Ohio 752,075 32,806 784,881

Oklahoma 262,644 20,354 282,998

Oregon 138,079 15,310 153,389

Pennsylvania 1,009,127 45,561 1,054,688

Rhode Island 126,103 4,069 130,172

South Carolina 246,446 9,573 256,019

South Dakota 51,341 2,755 54,096

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2555 (Cont.) STATE ORGANIZATION AND GENERAL ADMINISTRATION 12-85

Target Amounts for Federal Medicaid Expenditures

Fiscal Year 1984 Summary

(Dollars in Thousands)

FY 1984 FY 1984 FY 1984

Target Target Total Target

State MAP ADM Amount

Tennessee $ 388,705 $ 14,438 $ 403,143

Texas 861,007 73,612 934,619

Utah 86,063 5,091 91,154

Vermont 63,683 3,591 67,274

Virginia 313,556 12,698 326,254

Washington 254,836 17,933 272,769

West Virginia 105,013 6,560 111,573

Wisconsin 634,262 29,535 663,797

Wyoming 10,686 790 11,476

TOTAL $19,374,391 $ 1,068,018 $ 20,442,409

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12-85 STATE ORGANIZATION AND GENERAL ADMINISTRATION 2555 (Cont.)

Omnibus Budget Reconciliation Act of 1981 Section 2161

Target Computation

Dollars in Thousands - MAP

Prior

FY 1981 Period Adjusted FY 1982

Estimate FY 1981 Claims FY 1981 Target MAP

STATE Prior to 4/1/81 IHS Expenditures (See Note 1) Estimate (See Note 2)

Alabama $ 218,375 $ $ 930 $ 217,445 $ 237,015

Alaska 22,797 1.940 20,857 22,734

Arizona

Arkansas 218,493 677 217,816 237,419

California 1,897,281 1,897,281 2,068,036

Colorado 114,887 114,887 125,227

Connecticut 184,911 184,911 201,553

Delaware 28,541 28,541 31,109

District of Columbia 87,805 87,805 95,708

Florida 303,739 303,739 331,076

Georgia 364,270 364,270 397,054

Hawaii 54,556 54,556 59,466

Idaho 38,992 16 38,976 42,484

Illinois 727,721 529 727,192 792,639

Indiana 248,720 156 248,564 270,935

Iowa 145,962 145,962 159,098

Kansas 116,973 116,973 127,501

Kentucky 254,501 4,421 250,080 272,587

Louisiana 326,494 2,938 323,556 352,676

Maine 109,203 109,203 119,031

Maryland 234,314 76 234,238 255,319

Massachusetts 610,877 610,877 665,856

Michigan 660,428 1 660,427 719,866

Minnesota 378,789 380 1,517 376,892 410,812

Mississippi 199,213 47 4,561 194,605 212,119

Missouri 255,012 255,012 277,964

Montana 42,910 687 42,223 46,023

Nebraska 76,662 42 76,620 83,516

Nevada 27,993 27,993 30,513

New Hampshire 53,135 53,135 57,917

Rev. 38 2-123

2555 (Cont.) STATE ORGANIZATION AND GENERAL ADMINISTRATION 12-85

Omnibus Budget Reconciliation Act of 1981 Section 2161

Target Computation

Dollars in Thousands - MAP

Prior

FY 1981 Period Adjusted FY 1982

Estimate FY 1981 Claims FY 1981 Target MAP

State Prior to 4/1/81 IHS Expenditures (See Note 1) Estimate (See Note 2)

New Jersey $ 435,788 $ $ $ 435,788 $ 475,009

New Mexico 63,082 798 62,284 67,890

New York 2,476,213 2,476,213 2,699,072

North Carolina 330,084 31 1,769 328,284 357,829

North Dakota 36,935 488 36,447 39,727

Ohio 608,021 2,778 605,243 659,715

Oklahoma 211,805 213 225 211,367 230,390

Oregon 111,181 60 111,121 121,122

Pennsylvania 812,109 812,109 885,199

Rhode Island 101,484 101,484 110,617

South Carolina 198,331 198,331 216,181

South Dakota 42,462 1,145 41,317 45,036

Tennessee 312,816 312,816 340,969

Texas 692,908 692,908 755,269

Utah 69,265 4 69,261 75,494

Vermont 51,249 51,249 55,862

Virginia 252,339 252,339 275,049

Washington 205,491 408 205,083 223,540

West Virginia 84,511 84,511 92,117

Wisconsin 511,340 909 510,431 556,370

Wyoming 8,600 8,600 9,374

TOTAL $ 15,619,568 $ 6,256 $ 21,490 $ 15,591,822 $ 16,995,084

1)   Adjustments were made to remove FY 1980 and prior expenditures.

2)   The FY 1982 Target is the product of multiplying the Adjusted FY 1981 Estimate by 109 percent.

2-124 Rev. 38

12-85 STATE ORGANIZATION AND GENERAL ADMINISTRATION 2555 (Cont.)

Omnibus Budget Reconciliation Act of 1981 Section 2161

Target Computation

Dollars in Thousands - ADM

Prior

FY 1981 Period Sub. Adjusted Adjusted FY 1982

Estimate FY 1981 Claims FY 1981 State FY 1981 Target ADM

State Prior to 4/1/81 IHS Expenditures (See Note 1) Estimate Certification Estimate (See Note 2)

Alabama $ 7,018 $ $ $ 7,018 $ 491 $ 7,509 $ 8,185

Alaska 1,240 1,240 48 1,288 1,404

Arizona

Arkansas 5,607 5,607 471 6,078 6,625

California 133,809 133,809 3,800 137,609 149,994

Colorado 5,529 5,529 576 6,105 6,654

Connecticut 9,150 9,150 661 9,811 10,694

Delaware 1,405 1,405 80 1,485 1,619

District of Columbia 7,131 7,131 52 7,183 7,829

Florida 16,921 16,921 1,036 17,957 19,573

Georgia 14,033 14,033 1,051 15,084 16,442

Hawaii 3,173 3,173 84 3,257 3,550

Idaho 2,229 2,229 104 2,333 2,543

Illinois 28,923 442 28,481 1,132 29,613 32,278

Indiana 10,219 10,219 712 10,931 11,915

Iowa 5,182 5,182 861 6,043 6,587

Kansas 5,136 5,136 569 5,705 6,218

Kentucky 11,264 11,264 468 11,732 12,788

Louisiana 11,572 11,572 485 12,057 13,142

Maine 3,752 3,752 381 4,133 4,505

Maryland 11,044 11,044 308 11,352 12,374

Massachusetts 16,710 16,710 1,521 18,231 19,872

Michigan 46,476 46,476 1,729 48,205 52,543

Minnesota 13,523 35 13,488 1,385 14,873 16,212

Mississippi   7,755 7,755 453 8,208 8,947

Missouri 7,790 7,790 826 8,616 9,391

Montana 2,731 2,731 156 2,887 3,147

Nebraska 5,110 5,110 424 5,534 6,032

Nevada 1,922 1,922 75 1,997 2,176

New Hampshire 2,955 2,955 202 3,157 3,441

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2555 (Cont.) STATE ORGANIZATION AND GENERAL ADMINISTRATION 12-85

Omnibus Budget Reconciliation Act of 1981 Section 2161

Target Computation

Dollars in Thousands - ADM

Prior

FY 1981 Period Sub. Adjusted Adjusted FY 1982

Estimate FY 1981 Claims FY 1981 State FY 1981 Target ADM

State Prior to 4/1/81 IHS Expenditures (See Note 1) Estimate Certification Estimate (See Note 2)

New Jersey $ 29,249 $ $ $ 29,249 $ 475 $ 29,724 $ 32,399

New Mexico 3,685 27 3,658 194 3,852 4,199

New York 148,212 148,212 1,910 150,122 163,633

North Carolina 16,198 16,198 701 16,899 18,420

North Dakota 2,656 5 2,651 134 2,785 3,036

Ohio 24,910 61 24,849 1,552 26,401 28,777

Oklahoma 15,836 15,836 544 16,380 17,854

Oregon 11,815 11,815 506 12,321 13,430

Pennsylvania 34,980 34,980 1,686 36,666 39,966

Rhode Island 2,978 2,978 296 3,274 3,569

South Carolina 7,330 7,330 374 7,704 8,397

South Dakota 1,853 1,853 365 2,218 2,417

Tennessee 10,819 10,819 800 11,619 12,665

Texas 55,446 55,446 3,794 59,240 64,572

Utah 3,861 3,861 236 4,097 4,466

Vermont 2,732 2,732 158 2,890 3,150

Virginia 10,037 10,037 182 10,219 11,139

Washington 13,832 13,832 600 14,432 15,731

West Virginia 5,154 5,154 125 5,279 5,754

Wisconsin 20,874 20,874 2,895 23,769 25,908

Wyoming 518 518 118 636 636

TOTAL $ 822,284 $ 27 $ 543 $ 821,714 $ 37,786 $ 859,500 $ 936,855

1)   Adjustments were made to remove FY 1980 and prior expenditures.

2)   The FY 1982 Target is the product of multiplying the Adjusted FY 1981 Estimate by 109 percent.

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