



# COMMONWEALTH of VIRGINIA

## Office of the Governor

Daniel Carey, MD  
Secretary of Health and Human Resources

June 4, 2021

Todd McMillion  
Director  
Department of Health and Human Services  
Centers for Medicare and Medicaid Services  
233 North Michigan Ave., Suite 600  
Chicago, Illinois 60601

Dear Mr. McMillion:

Attached for your review and approval is amendment 21-016, entitled "2021 Non-Institutional Provider Reimbursement Changes" to the Plan for Medical Assistance for the Commonwealth. I request that your office approve this change as quickly as possible.

Sincerely,

A handwritten signature in black ink, appearing to read "Daniel Carey", with a long horizontal flourish extending to the right.

Daniel Carey, MD, MHCM

Attachment

cc: Karen Kimsey, Director, Department of Medical Assistance Services  
CMS, Region III

## Transmittal Summary

SPA 21-016

### I. IDENTIFICATION INFORMATION

Title of Amendment: 2021 Non-Institutional Provider Reimbursement Changes

### II. SYNOPSIS

Basis and Authority: The Code of Virginia (1950) as amended, § 32.1-325, grants to the Board of Medical Assistance Services the authority to administer and amend the Plan for Medical Assistance. The Code of Virginia (1950) as amended, § 32.1-324, authorizes the Director of the Department of Medical Assistance Services (DMAS) to administer and amend the Plan for Medical Assistance according to the Board's requirements.

Purpose: The 2021 Appropriations Act, Items 313.EEEE, UUUU, and VVVV require DMAS to make changes to the state plan. These changes will: 1) increase the rates for psychiatric services by 14.7 percent for psychiatric services to the equivalent of 110 percent of Medicare rates; 2) increase rates for anesthesiologists to reflect the equivalent of 70 percent of the 2019 Medicare rates; and 3) increase supplemental physician payments for a freestanding children's hospital serving children in Planning District 8. The total supplemental Medicaid payment shall be based on the Upper Payment Limit approved by CMS and all other Virginia Medicaid fee-for-service payments.

Substance and Analysis: The section of the State Plan that is affected by this amendment is "Methods and Standards for Establishing Payment Rate – Other Types of Care"

Impact: a. The expected increase in annual aggregate expenditures as a result of the increase in rates for psychiatric services is \$593,674 in state general funds, \$46,102 in special funds, and \$1,046,444 in federal funds in federal fiscal year 2021.

b. The expected increase in annual aggregate expenditures as a result of the increase in rates for anesthesiologists is \$65,623 in state general funds, \$189,985 in federal funds, and \$13,379 in special funds in federal fiscal year 2021.

c. The expected increase in annual aggregate expenditures as a result of the supplemental physician payments for a freestanding children's hospital is \$88,692 in state general funds and \$88,692 in federal funds in federal fiscal year 2021.

Tribal Notice: Please see Attachments A-1 and A-2.

Prior Public Notice: Please see Attachment B-1.

Public Comments and Agency Analysis: Please see Attachment B-2.



McClellan, Emily &lt;emily.mcclellan@dmas.virginia.gov&gt;

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## Tribal Notice re: Increases in reimbursement rates for non-institutional Medicaid services

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**McClellan, Emily** <emily.mcclellan@dmas.virginia.gov> Fri, May 21, 2021 at 2:45 PM  
To: TribalOffice@monacannation.com, "chiefannerich@aol.com" <chiefannerich@aol.com>, Gerald Stewart <wasandson@cox.net>, Pam Thompson <Pamelathompson4@yahoo.com>, rappahannocktrib@aol.com, regstew007@gmail.com, robert.gray@pamunkey.org, Rufus Elliott <tribaladmin@monacannation.com>, Samuel Bass <samflyingeagle48@yahoo.com>, Stephen Adkins <chiefstephenadkins@gmail.com>, Frank <WFrankAdams@verizon.net>, "bradbybrown@gmail.com" <bradbybrown@gmail.com>, heather.hendrix@ihs.gov, "Garrett, Tabitha (IHS/NAS/RIC)" <tabitha.garrett@ihs.gov>, Kara.Kearns@ihs.gov

Dear Tribal Leaders and Indian Health Programs:

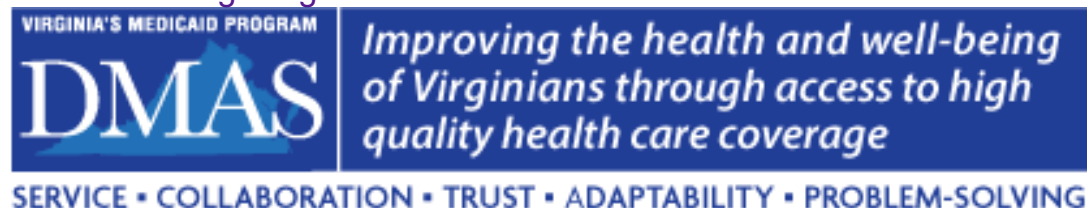
Attached is a Tribal Notice letter from Virginia Medicaid Director Karen Kimsey indicating that the Dept. of Medical Assistance Services (DMAS) plans to submit a State Plan Amendment (SPA) to the federal Centers for Medicare and Medicaid Services. This SPA will increase the reimbursement rates for certain non-institutional Medicaid services.

If you would like a copy of the SPA documents or proposed text changes, or if you have any questions, please let us know.

Thank you! -- Emily McClellan

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Emily McClellan  
Regulatory Supervisor  
Policy Planning and Innovation Division  
Virginia Department of Medical Assistance Services  
600 East Broad Street  
Richmond, VA 23219  
(804) 371-4300  
[www.dmas.virginia.gov](http://www.dmas.virginia.gov)



307K



COMMONWEALTH of VIRGINIA

*Department of Medical Assistance Services*

KAREN KIMSEY  
DIRECTOR

SUITE 1300  
600 EAST BROAD STREET  
RICHMOND, VA 23219  
804/786-7933  
800/343-0634 (TDD)  
[www.dmas.virginia.gov](http://www.dmas.virginia.gov)

May 21, 2021

SUBJECT: Notice of Opportunity for Tribal Comment – State Plan Amendment related to Increased Rates for Psychiatric Services, Anesthesia Services, and Increased Physician Supplemental Payments

Dear Tribal Leader and Indian Health Programs:

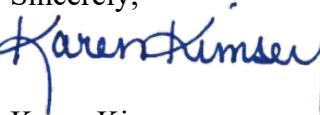
This letter is to notify you that the Department of Medical Assistance Services (DMAS) is planning to amend the Virginia State Plan for Medical Assistance with the Centers for Medicare and Medicaid Services (CMS). Specifically, DMAS is providing you notice about a State Plan Amendment (SPA) that the Agency will file with CMS in order to increase rates for psychiatric services and increase supplemental payments for Children's National Medical Center.

The changes will: 1) increase rates for psychiatric services by 14.7 percent to the equivalent of 110 percent of Medicare rates, effective July 1, 2021; 2) increase rates for anesthesiologists to reflect the equivalent of 70 percent of the 2019 Medicare rates; and 3) increase the supplemental physician payments for physicians employed at a freestanding children's hospital serving children in Planning District 8 (Children's National Medical Center) to the maximum allowed by the Centers for Medicare and Medicaid Services (CMS) within the limit of the appropriation.

The tribal comment period for this SPA is open through June 20, 2021. You may submit your comments directly to Emily McClellan, DMAS Policy Division, by phone (804) 371-4300, or via email: [Emily.McClellan@dmas.virginia.gov](mailto:Emily.McClellan@dmas.virginia.gov) Finally, if you prefer regular mail you may send your comments or questions to:

Virginia Department of Medical Assistance Services  
Attn: Emily McClellan  
600 East Broad Street  
Richmond, VA 23219

Please forward this information to any interested party.

Sincerely,  
  
Karen Kimsey

**ATTACHMENT B-1**

Virginia.gov Agencies | Governor



Agency

Department of Medical Assistance Services

Board

Board of Medical Assistance Services

[Edit Notice](#)

## General Notice

**Public Notice - Intent to Amend State Plan - Non-Institutional Provider Reimbursement Changes**

Date Posted: 5/21/2021

Expiration Date: 10/20/2021

Submitted to Registrar for publication: YES

[30 Day Comment Forum](#) is underway. Began on 5/21/2021 and will end on 6/20/2021**LEGAL NOTICE****COMMONWEALTH OF VIRGINIA****DEPARTMENT OF MEDICAL ASSISTANCE SERVICES****NOTICE OF INTENT TO AMEND**

(Pursuant to §1902(a)(13) of the Act (U.S.C. 1396a(a)(13))

THE VIRGINIA STATE PLAN FOR MEDICAL ASSISTANCE

**This Notice was posted on May 21, 2021**

The Virginia Department of Medical Assistance Services (DMAS) hereby affords the public notice of its intention to amend the Virginia State Plan for Medical Assistance to provide for changes to the *Methods and Standards for Establishing Payment Rates — Other Types of Care (12 VAC 30-80)*.

This notice is intended to satisfy the requirements of 42 C.F.R. § 447.205 and of § 1902(a)(13) of the *Social Security Act*, 42 U.S.C. § 1396a(a)(13). A copy of this notice is available for public review from Emily McClellan, DMAS, 600 Broad Street, Suite 1300, Richmond, VA 23219, or via e-mail at: [emily.mcclellan@dmas.virginia.gov](mailto:emily.mcclellan@dmas.virginia.gov)

**DMAS is specifically soliciting input from stakeholders, providers and beneficiaries, on the potential impact of the proposed changes discussed in this notice.** Comments or inquiries may be submitted, in writing, within 30 days of this notice publication to Emily McClellan and such comments are available for review at the same address. Comments may also be submitted, in writing, on the Town Hall public comment forum attached to this notice.

This notice is available for public review on the Regulatory Town Hall ([www.townhall.com](http://www.townhall.com)), on the General Notices page, found at: <https://townhall.virginia.gov/L/generalnotice.cfm>

In accordance with the 2021 Appropriations Act, Items 313.EEEE, UUUU, and VVVV, DMAS will be making the following changes:

**Methods & Standards for Establishing Payment Rates-Other Types of Care (12 VAC 30-80)**

1. The state plan is being revised to increase rates for psychiatric services by 14.7 percent to the equivalent of 110 percent of Medicare rates, effective July 1, 2021.

**The expected increase in annual aggregate expenditures is \$593,674 in state general funds, \$46,102 in special funds, and \$1,046,444 in federal funds in federal fiscal year 2021.**

2. The state plan is being revised to increase rates for anesthesiologists to reflect the equivalent of 70 percent of the 2019 Medicare rates.

**The expected increase in annual aggregate expenditures is \$65,623 in state general funds, \$189,985 in federal funds, and \$13,379 in special funds in federal fiscal year 2021.**

3. The state plan is being revised to increase the supplemental physician payments for physicians employed at a freestanding children's hospital serving children in Planning District 8 to the maximum allowed by the Centers for Medicare and Medicaid Services within the limit of the appropriation provided for this purpose. The total supplemental Medicaid payment shall be based on the Upper Payment Limit approved by the Centers for Medicare and Medicaid Services and all other Virginia Medicaid fee-for-service payments.

**The expected increase in annual aggregate expenditures is \$88,692 in state general funds and \$88,692 in federal funds in federal fiscal year 2021.**

#### Contact Information

<b>Name / Title:</b>	Emily McClellan / <i>Regulatory Manager</i>
<b>Address:</b>	Division of Policy and Research 600 E. Broad St., Suite 1300 Richmond, 23219
<b>Email Address:</b>	<a href="mailto:Emily.McClellan@dmas.virginia.gov">Emily.McClellan@dmas.virginia.gov</a>
<b>Telephone:</b>	(804)371-4300 FAX: (804)786-1680 TDD: (800)343-0634

*This general notice was created by Emily McClellan on 05/21/2021 at 12:53pm*

**TRANSMITTAL AND NOTICE OF APPROVAL OF  
STATE PLAN MATERIAL  
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER  
2 1 — 0 1 6

2. STATE  
Virginia

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR  
CENTERS FOR MEDICARE & MEDICAID SERVICES  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE  
7/1/2021

5. TYPE OF PLAN MATERIAL (*Check One*)

- NEW STATE PLAN       AMENDMENT TO BE CONSIDERED AS NEW PLAN       AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (*Separate transmittal for each amendment*)

6. FEDERAL STATUTE/REGULATION CITATION

42 CFR 447

7. FEDERAL BUDGET IMPACT

a. FFY 2021 \$ 1,325,121  
b. FFY 2022 \$ 5,328,743

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Attachment 4.19-B, page 7.1  
Attachment 4.19B, Supp 4, pages 1, 2, 3, 4

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (*If Applicable*)

Same as box #8.

10. SUBJECT OF AMENDMENT

2021 Non-Institutional Provider Reimbursement Changes

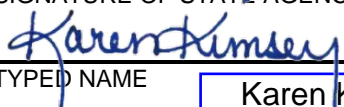
11. GOVERNOR'S REVIEW (*Check One*)

- GOVERNOR'S OFFICE REPORTED NO COMMENT  
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED  
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

OTHER, AS SPECIFIED

Secretary of Health and Human Resources

12. SIGNATURE OF STATE AGENCY OFFICIAL



13. TYPED NAME

Karen Kimsey

14. TITLE

Director

15. DATE SUBMITTED

5/21/2021

16. RETURN TO

Dept. of Medical Assistance Services  
600 East Broad Street, #1300  
Richmond VA 23219  
  
Attn: Regulatory Coordinator

**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED

18. DATE APPROVED

**PLAN APPROVED - ONE COPY ATTACHED**

19. EFFECTIVE DATE OF APPROVED MATERIAL

20. SIGNATURE OF REGIONAL OFFICIAL

21. TYPED NAME

22. TITLE

23. REMARKS