



COMMONWEALTH of VIRGINIA

Office of the Governor

John E. Littel
Secretary of Health and Human Resources

March 21, 2023

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 23-010, entitled "Average Commercial Rate for Physicians Affiliated with Type I Hospitals" 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 blue ink that reads "John E. Littel".

John E. Littel

Attachment

cc: Cheryl J. Roberts, Director, Department of Medical Assistance Services
CMS, Region III

Transmittal Summary

SPA 23-010

I. IDENTIFICATION INFORMATION

Title of Amendment: Average Commercial Rate for Physicians Affiliated with Type 1 Hospitals

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.

In accordance with the 2022 Appropriations Act, Item 304.B(4), DMAS "... shall have the authority to amend the State Plan for Medical Assistance to increase physician supplemental payments for physician practice plans affiliated with Type One hospitals up to the average commercial rate [ACR] as demonstrated by University of Virginia Health System and Virginia Commonwealth University Health System..."

Purpose: DMAS is required to recalculate the ACR every three years. The last ACR is dated April 1, 2020, and CMS requires DMAS to submit a new ACR calculation effective April 1, 2023.

After performing calculations based on data provided by Type One hospitals, DMAS determined that the ACR must be increased from 236% of Medicare to 238% of Medicare.

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: The anticipated federal expenditures are \$10,205,854, or \$3,523,056 in federal fiscal year (FFY) 2023 and \$6,682,798 in FFY 2024.

Tribal Notice: Please see attached.

Prior Public Notice: See attached.

Public Comments and Agency Analysis: See attached. No comments were submitted.

Tribal Notice – Average Commercial Rate for Physicians Affiliated with Type 1 Hospitals

Lee, Meredith (DMAS) <Meredith.Lee@dmas.virginia.gov>

Mon 3/13/2023 7:25 PM

To: TribalOffice@MonacanNation.com <TribalOffice@MonacanNation.com>; Ann Richardson <chiefannerich@aol.com>; Gerald Stewart <jerry.stewart@cit-ed.org>; pamelathompson4@yahoo.com (pamelathompson4@yahoo.com) <pamelathompson4@yahoo.com>; rappahannocktrib@aol.com (rappahannocktrib@aol.com) <rappahannocktrib@aol.com>; Reggie Stewart <regstew007@gmail.com>; Gray, Robert <robert.gray@pamunkey.org>; tribaladmin <tribaladmin@monacannation.com>; Sam Bass (samflyingeagle48@yahoo.com) <samflyingeagle48@yahoo.com>; chiefstephenadkins@gmail.com (chiefstephenadkins@gmail.com) <chiefstephenadkins@gmail.com>; Frank Adams <Board.R1D@DGIF.VIRGINIA.GOV>; bradbybrown@gmail.com (bradbybrown@gmail.com) <bradbybrown@gmail.com>; tabitha.garrett@ihs.gov (tabitha.garrett@ihs.gov) <tabitha.garrett@ihs.gov>; kara.kearns@ihs.gov (kara.kearns@ihs.gov) <kara.kearns@ihs.gov>; Mia Eubank (mia.eubank@ihs.gov) <mia.eubank@ihs.gov>

📎 1 attachments (216 KB)

03-13-23 Tribal Notice Letter, signed.pdf;

Dear Tribal Leaders and Indian Health Programs:

Attached is a Tribal Notice letter from Virginia Medicaid Director, Cheryl Roberts, 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 allow DMAS to revise the state plan to increase physician supplemental payments for physician practice plans affiliated with Type One hospitals up to the average commercial rate (ACR) as demonstrated by the University of Virginia Health System and the Virginia Commonwealth University Health System in accordance with the 2022 Appropriations Act, Item 304.B(4).

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! -- Meredith Lee

Meredith Lee

Division of Policy, Regulation, and Member Engagement

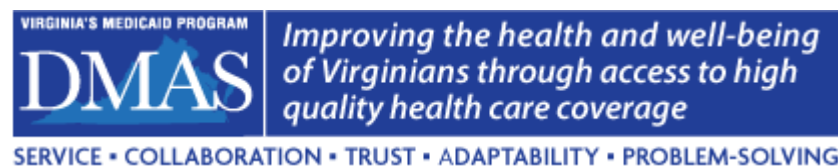
Policy, Regulations, and Manuals Supervisor

Department of Medical Assistance Services

Hours: 6:00 am - 4:30 pm (Monday-Thursday); out of the office on Fridays

meredith.lee@dmas.virginia.gov

(804) 371-0552





COMMONWEALTH of VIRGINIA

Department of Medical Assistance Services

CHERYL J. ROBERTS
DIRECTOR

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

March 13, 2023

SUBJECT: Notice of Opportunity for Tribal Comment – State Plan Amendment related to Average Commercial Rate for Physicians Affiliated with Type 1 Hospitals.

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 amend the State Plan for Medical Assistance to increase physician supplemental payments for physician practice plans affiliated with Type One hospitals up to the average commercial rate [ACR] as demonstrated by University of Virginia Health System and Virginia Commonwealth University Health System...”


DMAS is required to recalculate the ACR every three years. The last ACR is dated April 1, 2020, and CMS requires DMAS to submit a new ACR calculation effective April 1, 2023.

After performing calculations based on data provided by UVA and VCU hospitals, DMAS determined that the ACR must be increased from 236% of Medicare to 238% of Medicare. UVA and VCU hospitals have been notified of the change.

The tribal comment period for this SPA is open through April 13, 2023. You may submit your comments directly to Meredith Lee, DMAS Policy, Regulation, and Member Engagement Division, by phone (804) 371-0552, or via email: Meredith.Lee@dmas.virginia.gov. Finally, if you prefer regular mail you may send your comments or questions to:

Virginia Department of Medical Assistance Services
Attn: Meredith Lee
600 East Broad Street
Richmond, V23219

Please forward this information to any interested party.


Cheryl J. Roberts
Director



Agency

Department of Medical Assistance Services

Board

Board of Medical Assistance Services

[Edit Notice](#)

General Notice

Public Notice: Intent to Amend State Plan - Update ACR Calculation of Supplemental Payments for Physicians Affiliated with Type One Hospitals

Date Posted: 3/13/2023

Expiration Date: 9/13/2023

Submitted to Registrar for publication: YES

[18 Day Comment Forum](#) closed. Began on 3/13/2023 and ended 3/31/2023

**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 March 13, 2023

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 Meredith Lee, DMAS, 600 Broad Street, Suite 1300, Richmond, VA 23219, or via e-mail at: Meredith.Lee@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 Meredith Lee 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 (<https://townhall.virginia.gov>) on the General Notices page, found at: <https://townhall.virginia.gov/L/generalnotice.cfm>

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

In accordance with the 2022 Appropriations Act, Item 304.B(4), the state plan is being amended to update the average commercial rate calculation of supplemental payments for physicians affiliated with Type One Hospitals in Virginia effective April 1, 2023. The updated average commercial rate (ACR) percentage of Medicare will be 238% (combined).

The anticipated expenditures are \$2,953,150 in state general funds and \$3,523,056 in federal funds in federal fiscal year 2023.

Contact Information

Name / Title:	Meredith Lee / <i>Policy, Regulations, and Manuals Supervisory</i>
Address:	Policy, Regulation, and Member Engagement Division 600 E. Broad St., Suite 130 Richmond, 23219
Email Address:	Meredith.Lee@dmas.virginia.gov
Telephone:	(804)371-0552 FAX: (804)786-1680 TDD: (800)343-0634

This general notice was created by Meredith Lee on 03/13/2023 at 11:54am



Public comment forums

Make your voice heard! Public comment forums allow all Virginia's citizens to participate in making and changing our state regulations.

[See our public comment policy](#)

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[Guidance Document Forums \(26\)](#)

Board of Medical Assistance Services

[View Comments](#)

Public Notice: Intent to Amend State Plan - Update ACR Calculation of Supplemental Payments for Physicians Affiliated with Type One Hospitals

[General Notice](#)

Public Notice: Intent to Amend State Plan - Update ACR Calculation of Supplemental Payments for Physicians Affiliated with Type One Hospitals

Closed: 3/31/23 0 comments

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State of VIRGINIA

**METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATE-
OTHER TYPES OF CARE**

17. Supplemental payments for services provided by Type One physicians.
- a. A Type One physician is a member of a practice group organized by or under the control of a state academic health system or an academic health system that operates under a state authority and includes a hospital, which has entered into contractual agreements for the assignment of payments in accordance with 42 CFR 447.10.
 - b. The methodology for determining the Medicare Equivalent of the Average commercial Rate is described in Supplement 6 to Attachment 4.19-B.
 - c. Supplemental payments shall be made quarterly, no later than 90 days after the end of the quarter.
 - d. Effective ~~April 1, 2020~~ April 1, 2023, the supplemental payment amount for Type I physician services shall be the difference between the Medicaid payments otherwise made for physician services and ~~236%~~ 238% of Medicare rates.

TN No. 20-006

Approval Date 7/31/20

Effective Date 4/1/2020

Supersedes

TN No. 17-007-B

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

1. TRANSMITTAL NUMBER

2. STATE

3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT

XIX

XXI

TO: CENTER DIRECTOR
CENTERS FOR MEDICAID & CHIP SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

5. FEDERAL STATUTE/REGULATION CITATION

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)

a. FFY _____ \$ _____

b. FFY _____ \$ _____

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

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

9. SUBJECT OF AMENDMENT

10. 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

11. SIGNATURE OF STATE AGENCY OFFICIAL

Cheryl Roberts

12. TYPED NAME

13. TITLE

14. DATE SUBMITTED

15. RETURN TO

FOR CMS USE ONLY

16. DATE RECEIVED

17. DATE APPROVED

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL

19. SIGNATURE OF APPROVING OFFICIAL

20. TYPED NAME OF APPROVING OFFICIAL

21. TITLE OF APPROVING OFFICIAL

22. REMARKS

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State of VIRGINIA

**METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATE-
OTHER TYPES OF CARE**

17. Supplemental payments for services provided by Type One physicians.
- a. A Type One physician is a member of a practice group organized by or under the control of a state academic health system or an academic health system that operates under a state authority and includes a hospital, which has entered into contractual agreements for the assignment of payments in accordance with 42 CFR 447.10.
 - b. The methodology for determining the Medicare Equivalent of the Average commercial Rate is described in Supplement 6 to Attachment 4.19-B.
 - c. Supplemental payments shall be made quarterly, no later than 90 days after the end of the quarter.
 - d. Effective April 1, 2023, the supplemental payment amount for Type I physician services shall be the difference between the Medicaid payments otherwise made for physician services and 238% of Medicare rates.

TN No. 23-0010

Approval Date _____

Effective Date 4/1/2023

Supersedes

TN No. 20-006