Schedule 13

Department of Health Care Policy and Financing

Funding Request for The FY 2021-22 Budget Cycle

Request Title

R-16 Provider Rate Adjustments

Dept. Approval By:

OSPB Approval By:

____	**Supplemental FY 2020-21**
____	**Budget Amendment FY 2021-22**
X	**Change Request FY 2021-22**

Summary Information	Fund	FY 2020-21 Initial Appropriation	FY 2020-21 Supplemental Request	FY 2021-22 Base Request	FY 2021-22 Change Request	FY 2022-23 Continuation
	Total	**$9,026,391,954**	**$0**	**$8,984,194,399**	**($41,349,862)**	**($64,726,693)**
	FTE	0.0	0.0	0.0	0.0	0.0
Total of All Line Items Impacted by Change Request	GF	$2,245,225,203	$0	$2,422,686,658	($15,751,002)	($27,251,639)
	CF	$1,393,285,900	$0	$1,201,917,467	$0	$0
	RF	$41,603,960	$0	$43,625,726	$0	$0
	FF	$5,346,276,891	$0	$5,315,964,548	($25,598,860)	($37,475,054)

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	FTE	0.0	0.0	0.0	0.0	0.0
02. Medical Services Premiums, (A) Medical Services Premiums, (1) Medical Services Premiums - Medical Services Premiums	GF	$2,245,225,203	$0	$2,422,686,658	($15,751,002)	($27,251,639)
	CF	$1,393,285,900	$0	$1,201,917,467	$0	$0
	RF	$41,603,960	$0	$43,625,726	$0	$0
	FF	$5,346,276,891	$0	$5,315,964,548	($25,598,860)	($37,475,054)

Auxiliary Data

Requires Legislation?	YES		
Type of Request?	Department of Health Care Policy and Financing Prioritized Request	**Interagency Approval or Related Schedule 13s:**	No Other Agency Impact

Jared Polis
Governor

Kim Bimestefer
Executive Director

Department Priority: R-16
Request Detail: Provider Rate Adjustments

Summary of Funding Change for FY 2021-22				
	Totals		**Incremental Change**	
	FY 2020-21 Appropriation	**FY 2021-22 Base**	**FY 2021-22 Request**	**FY 2022-23 Request**
Total Funds	$9,026,391,954	$8,984,194,399	($41,349,862)	($64,726,693)
FTE	0.0	0.0	0.0	0.0
General Fund	$2,245,225,203	$2,422,686,658	($15,751,002)	($27,251,639)
Cash Funds	$1,393,285,900	$1,201,917,467	$0	$0
Reappropriated Funds	$41,603,960	$43,625,726	$0	$0
Federal Funds	$5,346,276,891	$5,315,964,548	($25,598,860)	($37,475,054)

Summary of Request:

The Department requests to adjust provider rates across several service categories in order to meet the projected budget shortfall. These reductions align with appropriate benchmarks for reimbursements, including those identified by the Medicaid Provider Rate Review Advisory Committee, which was created by the General Assembly. This request represents a decrease of 0.34% from the Department's FY 2020-21 Long Bill total funds appropriation.

The targeted rate adjustments include reductions to anesthesia rates to the Medicare benchmark; reductions to rates related to the preparation of antigens and administration of allergy testing; repricing pulse oximeters; reductions of certain rates to Medicare reimbursement rates; reducing the nursing facility rate growth limit to 0%; reducing Outpatient Hospital Physician Administered Drugs; and a reduction in lab testing rates to 80% of the Medicare benchmarks. Legislation is required to change section 25.5-6-202(9)(b), C.R.S in order to reduce the nursing facility rate growth.

The Department believes this request is on Step 2 of the evidence continuum, as the Department routinely examines the link between provider rates and the potential impacts on members' access to services.

Current Program:

Colorado's Medicaid program currently provides health care access to about 1.3 million people with a budget of $12.0 billion. Most providers are paid on a fee-for-service basis, meaning the Department pays for each incurred service based on a set rate. Pursuant to section 25.5-4-401.5, C.R.S., the Department is required to periodically perform reviews of provider rates under the Colorado Medical Assistance Act. Section 25.5-4-401.5, C.R.S. also established the Medicaid Provider Rate Review Advisory Committee (MPRRAC) to assist in the review of provider reimbursement rates.

For nursing facilities, section 25.5-6-202, C.R.S. outlines a comprehensive methodology for the Department to set nursing facility rates. This methodology requires the Department to annually adjust nursing facility rates based on changes in provider costs. As a result, the State's reimbursement for nursing facilities historically increased due to rate growth by approximately 3.00% each year. The Joint Budget Committee introduced HB 20-1362 which limited the annual increase in the Department paid per diem rates to nursing facilities for FY 2020-21 and FY 2021-22 to 2.00%.

Very few other providers in the Medicaid program receive automatic rate increases, and other than nursing facilities, no other providers in the Medicaid program receive automatic rate increases as a result of state law. Other providers that receive automatic increases, such as pharmacies receive these increases because of requirements in federal law. Revisions to rates for other providers are subject to annual appropriation by the General Assembly.

Problem or Opportunity:

Certain existing reimbursement rates are not aligned with appropriate benchmarks, and this can result in an inefficient use of state funds. Proper alignment of provider rates enables the Department to allocate its resources across provider types in a fair manner. Additionally, the State is facing a shortage of General Fund revenue as a result of the COVID-19 pandemic and accompanying economic downturn. Reductions to provider reimbursement are necessary to achieve a balanced budget.

Proposed Solution:

The Department requests a combination of across-the-board and targeted rate changes in order to save $41,349,862 total funds including $15,751,002 General Fund in FY 2021-22 and $64,726,693 total funds, including $27,251,639 General Fund in FY 2022-23 and future years. The requested reduction would help alleviate the budget shortfall and align some targeted rates with various benchmarks. The Department also requests that savings from cash funds are repurposed each year ongoing to provide ongoing General Fund relief. Repurposing cash funds requires statutory changes.

The Department believes this request is on Step 2, "Identify Outputs" of the Office of State Planning and Budgeting (OSPB) Evidence Continuum. The Department routinely monitors the relationships between changing rates for services and access to care issues. The Department believes the proposed rates do not lead to any access to care issues; however, provider behavior can change based on the proposed changes to provider reimbursement of services. The Department conducts analysis of access to care when amending the state plan for rate change proposals. Additionally, the Medicaid Provider Rate Review Committee (MPRRAC) reviews rates and access to care issues for Colorado Medicaid's rates. The MPRRAC committee supplies an annual report every May 1st highlighting areas of potential access to care issues and rate evaluations.

Targeted Rate Reduction

Anesthesia Rate Reduction

The Department requests to reduce the Anesthesia rates to 100.00% of the rate comparison benchmark – the current Medicare conversion factor. The results of the 2017 Medicaid Provider Rate Review Analysis Report revealed that the Department's payments for anesthesia services were above 100.00% of the benchmark. This recommendation aligns with the MPRRAC's support of the Department recommendation to reduce anesthesia rates to 100% of the benchmark. The Department requested to reduce anesthesia rates to 100.00% of the benchmark as part of FY 2019-20 R-13, "Provider Rate Adjustments." The General Assembly approved a partial reduction, but the rates remain well above Medicare, at 120% of the benchmark rate. The Department is requesting an additional reduction to 100.00% of the benchmark, in line with the MPRRAC's support of the Department recommendation.

Allergy Testing Rate Reduction

The Department requests to reduce a component of allergy testing rates to the commercial benchmark in FY 2021-22 and ongoing. Allergy testing includes preparation of the antigens and administration of the test. Payment for the preparation of the antigens can be reduced to rates comparable to payment from other providers. Such reduction is unlikely to decrease access to allergy testing because the new rate would be consistent with the other payors' reimbursement rates. The reimbursement for administering the test would remain the same.

Benchmark Certain Rates to Medicare

The Department requests to rebalance the Durable Medical Equipment (DME) and the Ambulatory Surgical Centers (ASCs) rates to 100.00% of 2020 Medicare rates in FY 2021-22 and ongoing. In the 2020 MPRRAC report, the Department found that prosthetics, orthotics, and supplies range from 4.46% to 1,233.91% of the rate benchmark comparison using Medicare or eight other states' Medicaid rates. Through the 2019 rate review process, the Department found that payments for ASCs range from 29.71% to 139.02% of the benchmark rate, based on twelve other states' Medicaid rates. The Department's proposal would only decrease rates of codes that had reimbursements in excess of 100.00% of Medicare rates for the prosthetics, orthotics, and ASCs.

This would increase equity with other services that are paid below Medicare rates while providing additional relief for the State's budget.

Repricing Pulse Oximeter Rental Rates

The Department requests to reduce the rental price of pulse oximeters to align with the purchase pricing in FY 2021-22 and ongoing. The Department's current rental pricing is significantly higher compared to the rental price of other durable medical equipment (DME). The Department spends approximately 10.00% of the price renting a piece of durable medical equipment compared to the price of buying that same piece of equipment. The Department found that with Pulse Oximeters the rental price was approximately 48.67% of the purchase price for pulse oximeters. The Department's proposal would bring the pulse oximeter rental pricing in line with other rental-purchase price ratios.

Lab Testing Code Rate Reduction

The Department requests to reduce the drug testing service's rates to 80.00% of the Medicare rates in FY 2021-22 and ongoing to align the Department's definitive drug testing policy with Medicare's policy.

Reducing Outpatient Hospital Physician Administered Drug Rates

The Department requests to reduce the rates for Outpatient Hospital Physician Administered Drugs in order to reduce the amount that hospitals receive for drugs purchased using section 340B pricing.[1] The Department would implement this reduction by reducing the Enhanced Ambulatory Patient Grouping (EAPG) weights by 35.00% from 20.00% for claims associated with 340B drugs in FY 2021-22 and ongoing. When the EAPG methodology was first implemented in October 2016, the Department reduced rates for the EAPG pricing list by 50.00%. The Department's proposal aligns the current reduction rate closer to historical pricing, and is more in line with the current pricing ceiling list.

Nursing Facility Rate Growth Limit

The Department requests to remove the 2.00% maximum allowable rate increase for nursing facilities and to hold nursing facility rates constant in FY 2021-22. If this growth limit is left in place, the Department anticipates that nursing facility rates would grow by the maximum allowable 2.00% based on historic growth. Implementing this reduction would require a statutory change to amend section 25.5-6-202, C.R.S. to remove the allowable growth factor for nursing facility per diem rates in FY 2021-22 and ongoing. It is the Department's intent that any nursing facility rate increases would be subject to annual appropriation by the General Assembly.

Required Statutory Changes for Cash Fund Savings

In order to maximize General Fund savings, the Department is requesting to repurpose cash funds to offset General Fund costs in Medicaid in the amount of the expected reductions. For this request,

[1] https://www.hrsa.gov/opa/index.html

the changes would requirement amendments to the allowable uses of the HAS Fee (section 25.5-4-402.4, C.R.S.), amendments to the allowable uses of the Unclaimed Property Trust Fund (section 38-13-116.5, C.R.S.) and amendments to the allowable uses of the Breast and Cervical Cancer Prevention and Treatment Fund (section 25.5-5-308, C.R.S.).

Anticipated Outcomes:

The Department anticipates that the proposed changes would help the Department achieve its Wildly Important Goal #2 of Medicaid Cost Control by reducing the reimbursement rates for several targeted providers and for providers across the board. The Department is proposing reasonable targeted rate decreases that align with findings through the rate review process or through internal research that are anticipated to not lead to any access to care issues.

Assumptions and Calculations:

For the following reductions, the Department estimates that the FY 2021-22 impact would be 11/12th of the full year impact due to the lag between when claims are incurred and when they are paid, and the statutory requirement that the Medicaid program uses cash accounting. To implement the proposed changes, the Department would need to submit State Plan Amendments to the Centers for Medicare and Medicaid Services (CMS) and to change its rules through the Medical Services Board (MSB). The Department estimates that it would take three months to obtain the authority to make this change. The Department would proactively submit State Plan Amendments and regulatory changes so that the Department could implement reductions on July 1, 2021.

The Department's calculations for each reduction are shown in the appendix.

The Department has used the most recent data available to calculate the impact of rate reductions. Because the COVID-19 pandemic dramatically affected FY 2019-20 expenditure, FY 2019-20 data may not be indicative of future expenditure; therefore, in some cases, the Department has used older data. The Department assumes that the incremental reductions calculated will be representative of the true budget savings regardless of the data used, as both the baseline and the expenditure reduction would be increased by approximately the same amounts due to trend. The Department would use the regular budget process in the future to account for the difference between projected and actual savings.

Anesthesia Rate Reduction

The Department calculated the impact of reducing the anesthesia rates to the Medicare rates based on the difference between FY 2018-19 anesthesia expenditure based on FY 2018-19 utilization multiplied by the current rates and the FY 2018-19 utilization multiplied by the Medicare rates.

Allergy Testing Rate Reduction

The current rate for allergy testing is $7.40. The proposed rate is $3.60. The Department calculated the full year impact of the rate reduction based on multiplying the difference by the CY 2019 utilization.

Benchmark Certain Rates to Medicare

The Department calculated the impact of setting certain rates to the Medicare benchmark based on the difference between FY 2017-18 expenditure for prothesis, orthotics, and supplies and the FY 2017-18 utilization multiplied by the Medicare rates.

Repricing Pulse Oximeter

The Department calculated the full year impact of repricing the pulse oximeter rates testing code based on the difference between FY 2018-19 expenditure of pulse oximeter rentals and the FY 2018-19 utilization multiplied by the proposed rates.

Lab Testing Code Rate Reduction

The Department calculated the full year impact of reducing the lab testing code rates to 80.00% of the Medicare rates based on the difference between FY 2018-19 lab testing expenditure and FY 2018-19 utilization multiplied by the proposed rate methodology of 80.00% of Medicare

Reducing Outpatient Hospital Physician Administered Drug Rates

The Department calculated the full year impact of reducing the Outpatient Hospital Physician Administered Drug rates as the difference between the estimated FY 2020-21 expenditure, assuming caseload growth from FY 2018-19, and the estimated FY 2020-21 expenditure using the proposed lower discount percentage for 340B drugs.

Nursing Facility Rate Growth Limit

The Department would absorb the work associated with changing regulations and calculating rates in FY 2020-21 to match the revised statutory language. Legislation is required to amend section 25.5-6-202, C.R.S. to remove the allowable growth factor for nursing facility per diem rates.

Table 1.1
Summary by Line Item
FY 2021-22

Row	Line Item	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FFP Rate	Notes/Calculations
A	(2) Medical Services Premiums, Medical and Long-Term Care Services for Medicaid Eligible	($41,349,862)	0.0	($15,751,002)	$0	$0	($25,598,860)	NA	Table 2.1 Row I
B	**Total Request**	**($41,349,862)**	**0.0**	**($15,751,002)**	**$0**	**$0**	**($25,598,860)**	**NA**	Row A

Table 1.2
Summary by Line Item
FY 2022-23

Row	Line Item	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FFP Rate	Notes/Calculations
A	(2) Medical Services Premiums, Medical and Long-Term Care Services for Medicaid Eligible	($64,726,693)	0.0	($27,251,639)	$0	$0	($37,475,054)	NA	Table 2.2 Row I
B	**Total Request**	**($64,726,693)**	**0.0**	**($27,251,639)**	**$0**	**$0**	**($37,475,054)**	**NA**	Row A

Table 2.1
Summary by Initiative
FY 2021-22

Row	Item	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FFP Rate	Notes/Calculations
A	Anesthesia Rate Reduction	($5,959,562)	0.0	($1,904,319)	($245,399)	$0	($3,809,844)	NA	Table 3.1 Row E
B	Allergy Testing Rate Reduction	($694,456)	0.0	($161,298)	($38,594)	$0	($494,564)	NA	Table 3.2 Row G
C	Benchmark Certain Rates to Medicare	($1,360,741)	0.0	($546,717)	($35,307)	$0	($778,717)	NA	Table 3.3 Row E
D	Repricing Pulse Oximeter	($458,993)	0.0	($184,413)	($11,910)	$0	($262,670)	NA	Table 3.4 Row E
E	Lab Testing Code Rate Reduction	($12,587,595)	0.0	($2,923,654)	($699,548)	$0	($8,964,393)	NA	Table 3.5 Row E
F	Outpatient Hospital Physician Administered Drugs	($6,546,978)	0.0	($1,805,502)	($323,572)	$0	($4,417,904)	NA	Table 3.6 Row E
G	Remove Nursing Facility Rate Growth Limit	($13,741,537)	0.0	($6,870,769)	$0	$0	($6,870,768)	50.00%	Table 4.1 Row C
H	Cash Fund Transfer to Offset the General Fund	$0	0.0	($1,354,330)	$1,354,330	$0	$0	N/A	
I	**Total Request**	**($41,349,862)**	**0.0**	**($15,751,002)**	**$0**	**$0**	**($25,598,860)**	**NA**	**Sum of Rows A through H**

Table 2.2
Summary by Initiative
FY 2022-23

Row	Item	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FFP Rate	Notes/Calculations
A	Anesthesia Rate Reduction	($6,456,192)	0.0	($2,063,012)	($265,849)	$0	($4,127,331)	NA	Table 3.1 Row E
B	Allergy Testing Rate Reduction	($752,328)	0.0	($174,740)	($41,810)	$0	($535,778)	NA	Table 3.2 Row G
C	Benchmark Certain Rates to Medicare	($1,474,136)	0.0	($592,277)	($38,249)	$0	($843,610)	NA	Table 3.3 Row E
D	Repricing Pulse Oximeter	($497,243)	0.0	($199,781)	($12,903)	$0	($284,559)	NA	Table 3.4 Row E
E	Lab Testing Code Rate Reduction	($12,587,595)	0.0	($2,923,654)	($699,548)	$0	($8,964,393)	NA	Table 3.5 Row E
F	Outpatient Hospital Physician Administered Drugs	($7,092,560)	0.0	($1,955,959)	($350,537)	$0	($4,786,064)	NA	Table 3.6 Row E
G	Remove Nursing Facility Rate Growth Limit	($35,866,639)	0.0	($17,933,320)	$0	$0	($17,933,319)	50.00%	Table 4.2 Row C
H	Cash Fund Transfer to Offset the General Fund	$0	0.0	($1,408,896)	$1,408,896	$0	$0	N/A	
I	**Total Request**	**($64,726,693)**	**0.0**	**($27,251,639)**	**$0**	**$0**	**($37,475,054)**	**NA**	**Sum of Rows A through H**

Table 3.1 Reduction to Anesthesia Rates				
Row	**Item**	**FY 2021-22**	**FY 2022-23**	**Notes/Calculations**
A	Claims Priced at 100% of the Medicare Rate	$30,677,282	$30,677,282	FY 2018-19 Expenditure under Medicare Rates
B	Claims Priced at Current Medicaid Rates	$37,133,474	$37,133,474	FY 2018-19 Expenditure under Current Rates
C	Incremental Difference	($6,456,192)	($6,456,192)	Row A - Row B
D	Percentage of the Year Affected	92.31%	100.00%	First year is reduced due to cash accounting
E	**Estimated Impact of Reduction to 100% of Medicare Rates**	**($5,959,562)**	**($6,456,192)**	**Row C - Row D**

Table 3.2 Allergy Testing Rate Decrease				
Row	**Item**	**FY 2021-22**	**FY 2022-23**	**Notes/Calculations**
A	Current Rate for Allergy Testing	$7.40	$7.40	
B	Proposed Rate for Allergy Testing	$3.60	$3.60	
C	Difference in Rates	($3.80)	($3.80)	Row B - Row A
D	Estimated Annual Utilization	197,981	197,981	CY 2019 Utilization
E	**Estimated Impact of Reducing Allergy Testing Rates**	**($752,328)**	**($752,328)**	**Row C * Row D**
F	Percentage of the Year Affected	92.31%	100.00%	First year is reduced due to cash accounting
G	**Estimated Impact of Reduction to 100% of Medicare Rates**	**($694,456)**	**($752,328)**	**Row E * Row F**

Table 3.3 Benchmarking Certain Rates to Medicare				
Row	**Item**	**FY 2021-22**	**FY 2022-23**	**Notes/Calculations**
A	Benchmark Prosthetics, Orthotics, and Supplies to 100% of Medicare	($1,416,918)	($1,416,918)	Based on FY 2017-18 Utilization
B	Benchmark Ambulatory Surgery Centers to 100% of Medicare	($57,218)	($57,218)	Based on FY 2017-18 Utilization
C	**Total Decrease in Expenditure from Benchmarking Rates to Medicare**	**($1,474,136)**	**($1,474,136)**	**Row A + Row B**
D	Percentage of the Year Affected	92.31%	100.00%	First year is reduced due to cash accounting
E	**Estimated Impact of Reduction to 100% of Medicare Rates**	**($1,360,741)**	**($1,474,136)**	**Row C - Row D**

Table 3.4 Repricing Pulse Oximeter				
Row	**Item**	**FY 2021-22**	**FY 2022-23**	**Notes/Calculations**
A	FY 2018-19 Expenditure under current rates	$637,591	$637,591	
B	FY 2018-19 Expenditure under proposed rates	$140,348	$140,348	
C	**Incremental Difference**	**($497,243)**	**($497,243)**	**Row B - Row A**
D	Percentage of the Year Affected	92.31%	100.00%	First year is reduced due to cash accounting
E	**Estimated Impact of Reduction to 100% of Medicare Rates**	**($458,993)**	**($497,243)**	**Row C - Row D**

Table 3.5 Repricing Lab Testing Code Rates				
Row	**Item**	**FY 2021-22**	**FY 2022-23**	**Notes/Calculations**
A	FY 2018-19 Expenditure under current rates	$32,193,796	$32,193,796	
B	FY 2018-19 Expenditure under 80% of Medicare rates	$19,606,201	$19,606,201	
C	**Incremental Difference**	**($12,587,595)**	**($12,587,595)**	**Row B - Row A**
D	Percentage of the Year Affected	92.31%	100.00%	First year is reduced due to cash accounting
E	**Estimated Impact of Reduction to 100% of Medicare Rates**	**($11,619,318)**	**($12,587,595)**	**Row C - Row D**

Table 3.6 Reducing Outpatient Hospital Physician Administered Drugs Rates				
Row	**Item**	**FY 2021-22**	**FY 2022-23**	**Notes/Calculations**
A	FY 2018-19 Expenditure under current rates	$38,702,635	$38,702,635	
B	FY 2018-19 Expenditure under proposed rates	$31,610,075	$31,610,075	
C	**Incremental Difference**	**($7,092,560)**	**($7,092,560)**	**Row B - Row A**
D	Percentage of the Year Affected	92.31%	100.00%	First year is reduced due to cash accounting
E	**Estimated Impact of Reduction to 100% of Medicare Rates**	**($6,546,978)**	**($7,092,560)**	**Row C - Row D**

Table 4.1 FY 2021-22 Impact of Eliminating Maximum Allowable 2% Rate Growth for Nursing Facilities							
Row	**Item**	**Total Funds**	**General Fund**	**Cash Funds**	**Reappropriated Funds**	**Federal Funds**	**Notes/Calculations**
A	Estimated Expenditure with 2% Growth For FY 2021-22 Nursing Facility Rates	$756,568,515	$378,284,258	$0	$0	$378,284,258	Table 4.3 Row I
B	Estimated Expenditure with 0% Growth For FY 2021-22 Nursing Facility Rates	$742,826,978	$371,413,489	$0	$0	$371,413,489	Table 4.4 Row I
C	Estimated Savings from removal of 2% Growth trend	($13,741,537)	($6,870,769)	$0	$0	($6,870,769)	Row B - Row A

Table 4.2 FY 2022-23 Impact of Eliminating Maximum Allowable 2% Rate Growth for Nursing Facilities							
Row	**Item**	**Total Funds**	**General Fund**	**Cash Funds**	**Reappropriated Funds**	**Federal Funds**	**Notes/Calculations**
A	Estimated Expenditure with 2% Growth For FY 2022-23 Nursing Facility Rates	$782,048,658	$391,024,329	$0	$0	$391,024,329	Table 4.3 Row I
B	Estimated Expenditure with 0% Growth For FY 2022-23 Nursing Facility Rates	$746,182,019	$373,091,010	$0	$0	$373,091,010	Table 4.4 Row I
C	Estimated Savings from removal of 2% Growth trend	($35,866,639)	($17,933,320)	$0	$0	($17,933,320)	Row B - Row A

Table 4.3 - Nursing Facility Expenditure Projections with 2% Annual Rate Increase					
Row	**Item**	**FY 2020-21**	**FY 2021-22**	**FY 2022-23**	**Description**
A	Estimated Medicaid Reimbursement (Per Day)	$202.03	$206.06	$212.24	Based on Department's November 1, 2020 forecast
B	Estimate of Patient Days	3,642,078	3,670,805	3,670,875	Based on Department's November 1, 2020 forecast
C	Total Estimated Costs for Days of Service	$735,809,018	$756,406,078	$779,106,510	Row A * Row B
D	Estimated Percentage of Claims Paid in Current Year with Current Year Dates of Service	92.89%	92.89%	92.89%	Based on Department's November 1, 2020 forecast
E	Estimated Expenditure for Claims Paid in Current Year with Current Year Dates of Service	$683,492,997	$702,625,606	$723,712,037	Row C * Row D
F	Estimated Expenditure for Prior Fiscal Year Dates of Service	$50,336,616	$52,316,021	$53,780,472	Based on Department's November 1, 2020 forecast
G	**Total Estimated Nursing Facility Service Expenditure**	**$733,829,613**	**$754,941,627**	**$777,492,509**	**Row E + Row F**
H	Total Estimated Nursing Facility Bottom Line Impacts	$196,889	$1,626,888	$4,556,149	Based on Department's November 1, 2020 forecast
I	**Total Estimated Nursing Facility Service Expenditure Adjusted for Bottom Line Impacts**	**$734,026,502**	**$756,568,515**	**$782,048,658**	**Row G + Row H**

Table 4.4 - Nursing Facility Expenditure Projections with 0% Annual Rate Increase					
Row	**Item**	**FY 2020-21**	**FY 2021-22**	**FY 2022-23**	**Description**
A	Estimated Medicaid Reimbursement (Per Day)	$202.03	$202.03	$202.03	Eliminating maximum allowable growth rate in FY 2021-22 and FY 2022-23
B	Estimate of Patient Days (without Hospital Back Up)	3,642,078	3,670,805	3,670,875	Based on Department's November 1, 2020 forecast
C	Total Estimated Costs for Days of Service	$735,809,018	$741,612,734	$741,626,876	Row A * Row B
D	Estimated Percentage of Claims Paid in Current Year with Current Year Dates of Service	92.89%	92.89%	92.89%	Based on Department's November 1, 2020 forecast
E	Estimated Expenditure for Claims Paid in Current Year with Current Year Dates of Service	$683,492,997	$688,884,069	$688,897,205	Row C * Row D
F	Estimated Expenditure for Prior Fiscal Year Dates of Service	$50,336,616	$52,316,021	$52,728,665	Based on Department's November 1, 2020 forecast
G	**Total Estimated Nursing Facility Service Expenditure**	**$733,829,613**	**$741,200,090**	**$741,625,870**	**Row E + Row F**
H	Total Estimated Nursing Facility Bottom Line Impacts	$196,889	$1,626,888	$4,556,149	Based on Department's November 1, 2020 forecast
I	**Total Estimated Nursing Facility Service Expenditure Adjusted for Bottom Line Impacts**	**$734,026,502**	**$742,826,978**	**$746,182,019**	**Row G + Row H**