COMMONWEALTH of VIRGINIA

Department of Medical Assistance Services

CYNTHIA B. JONES
DIRECTOR

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

January 6, 2015

Dear Administrator:

The Department of Medical Assistance Services (DMAS) requests that nursing facilities provide wage data, to be used for the development of inflation factors, on an annual basis. **Completion of the wage survey is mandatory for all non-hospital based nursing facilities participating in Virginia Medicaid.** The data are needed to support the development of rates and must be collected in a manner more timely than cost reports. Therefore, DMAS requires all non-hospital based facilities to complete this annual wage survey.

Effective July 1, 2014 DMAS converted nursing facility reimbursement from cost-based to a prospective price-based reimbursement methodology. The wage survey data will be used in a similar manner to set the rates for nursing facilities under price-based reimbursement. The survey questions are the same as in previous years and data collected should be consistent with nursing staff costs and hours filed on the cost report. For nursing facilities with a 12/31 fiscal year end (FYE), total nursing staff costs on the wage survey should equal total nursing staff costs on Schedules A-4 and N of the PIRS 1090 cost reporting forms. For those who do not have a 12/31 FYE, they should use the same data sources as would be used for the cost report, but for the twelve-month period ending December 31, 2014.

The nursing staff salary costs and hours that should be included in Survey Parts I-III are those included in the total on lines 1 and 2 of Schedule A-4 (excluding nursing departmental supplies and professional fees) or Lines 24 and 25 of Schedule B-5, Part 1, whichever is applicable, of the PIRS 1090 cost reporting forms, plus the NATCEPS wages and benefits in Schedule N. Parts I-III of the survey should include any quality assurance nurses' salary costs and hours. Quality assurance nurses were added to the computation of direct patient care base operating costs effective July 1, 2002 and should be reported on Schedule A-4 or B-5, Part 1 and on this survey. In addition, time spent at the facility by quality assurance coordinators employed by the home office should be included in direct patient care base operating costs and in the data submitted for this survey in Parts I-III. The regulatory language regarding direct patient care operating costs, in the form of nursing service expenses, are included below:

12VAC30-90-271. Direct patient care operating

A. Nursing service expenses.

1. Salary --nursing administration. Gross salary (includes sick pay, holiday pay, vacation pay, staff development pay and overtime pay) of all licensed nurses in supervisory positions

defined as follows (Director of Nursing, Assistant Director of Nursing, nursing unit supervisors, patient care coordinators and MDS coordinators).

2. Salaries --RNs. Gross salary of registered nurses.

3. Salaries --LPNs. Gross salary of licensed practical nurses.

12VAC30-90-271 (cont'd)

4. Salaries --Nurse aides. Gross salary of certified nurse aides.

5. Salaries --Quality assurance nurses. Gross salary of licensed nurses who function as quality assurance coordinators and are responsible for quality assurance activities and programs. Quality assurance activities and programs are concerned with resident care and not with the administrative support that is needed to document the care. If a quality assurance coordinator is employed by the home office and spends a percentage of time at nursing facilities, report directly allocated costs to the nursing facility in this category rather than under the home office operating costs.

6. Nursing employee benefits. Benefits related to registered nurses, licensed practical nurses, certified nurse aides, quality assurance nurses, and nursing administration personnel as defined in subdivision 1 of this subsection. See 12VAC30-90-272 B for description of employee benefits.

Part IV of the survey, requires the reporting of non-nursing salaries and hours. This includes all other salaries and wages included in the indirect care operating costs reported on Schedule A-3 or Schedule B-5, Part I of the PIRS 1090. Part V is for reporting the salaries and wages of employee (only) therapists. The total of these salaries and wages should correspond to the total of employee therapists' salaries and wages as included in the total ancillary costs reported on Schedule C of the PIRS 1090. Parts VI and VII summarize salary and benefits data reported for nursing home employees and Part VIII requests data on liability insurance premiums and deductibles.

Parts IX and X survey data are used for DMAS purposes, unrelated to inflation factors. The nursing staff information in Part IX will be used to develop measures of retention and turnover. This should include all nursing staff as defined above for Parts I-III, excluding agency and corporate nursing staff. In order for DMAS to calculate the number of nursing hours per resident per day, each facility is asked to report the total number of bed days, in Part X, for the twelve-month period ending December 31, 2014.

The attached excel worksheet is a document that some facilities have found helpful to use prior to completing the online survey. Completion of this worksheet is **not required** and is for your purposes only. The final page allows for the calculation of some of the results that will be used in the calculation of inflation factors. These values can serve as a helpful tool in verifying your responses.

Facilities are required to complete the survey via DMAS' secure website. The survey link can be found at: *http://www.dmas.virginia.gov* in the *What's New* section. The survey is expected to be posted by January 15th. The "Certification by Officer or Administrator of Provider" form has been integrated into the online survey and is no longer a separate document. At the end of the survey you will be asked to re-enter your name and to check the certification box. Checking the box acts as an electronic signature stating that you verify the accuracy of your responses. Certifying your results by checking the box is **required.**

For documentation purposes, please print and retain a copy of your completed survey prior to online submission. It is not necessary to upload a copy to Go File Room. However if you are contacted in the event of problem with the web survey submission, the printed copy will provide DMAS with a method to verify your answers. If you are unable to provide DMAS with a copy, you will be asked to complete the online survey again.

The survey is due by March 2nd. If you have any questions, please contact Felicia Hemby at (804) 225-4324 or email Felicia.Hemby@dmas.virginia.gov. Thank you for your continued support and cooperation.

Sincerely,

William J. Lessard, Jr.

William J. Lessard, Jr.
Director, Provider Reimbursement

Attachment