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**State Name:** Delaware

**State Plan Amendment (SPA) #17-003**

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS-179
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
150 S. Independence Mall West  
Suite 216, The Public Ledger Building  
Philadelphia, Pennsylvania 19106-3499



**Region III/Division of Medicaid and Children's Health Operations**  
SWIFT #033120174009

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**June 26, 2017**

Mr. Stephen M. Groff, Director  
Division of Medicaid and Medical Assistance  
P.O. Box 906  
New Castle, DE 19720-0906

Dear Mr. Groff:

We are pleased to inform you of the approval of Delaware State Plan Amendment (SPA) 17-003. This amendment provides a mechanism for Federally Qualified Health Centers (FQHC) to be compensated for Long-Acting Reversible Contraceptives (LARCs) that are not included in the FQHC's rates. This will provide FQHC's the ability to maintain an adequate stock of LARCs, thus increasing access to important family planning services for Medicaid recipients.

Enclosed is a copy of the approved SPA pages and the signed CMS-179 form. The effective date of this amendment is January 2, 2017.

If you have any questions, you may contact Michael Cleary at (215) 861-4282.

Sincerely,



Francis T. McCullough  
Associate Regional Administrator

Enclosures

**TRANSMITTAL AND NOTICE OF APPROVAL OF  
STATE PLAN MATERIAL**

1. TRANSMITTAL NUMBER:  
**SPA #17-003**

2. STATE  
**DELAWARE**

**FOR: HEALTH CARE FINANCING ADMINISTRATION**

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

TO: REGIONAL ADMINISTRATOR  
HEALTH CARE FINANCING ADMINISTRATION  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE  
**January 2, 2017**

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:  
**1902(a)19; 1905(a)(4)(C); and 1927 of the Social Security Act  
42 CFR §440.210; 42 CFR §440.120; 42 CFR §441.20; 42 CFR §447.45  
State Medicaid Manual, Section 4270, Family Planning Services**

7. FEDERAL BUDGET IMPACT:  
a. FFY **2017**      \$ **-0-**  
b. FFY **2018**      \$ **-0-**

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

**ATTACHMENT 4.19-B Page 13**

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION  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

**ATTACHMENT 4.19-B Page 13**

10. SUBJECT OF AMENDMENT: **FEDERALLY QUALIFIED HEALTH CARE CENTERS' ADMINISTRATION OF LONG-ACTING REVERSIBLE  
CONTRACEPTIVES**

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:  
**Governor's comments under separate  
correspondence**

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:  
**Stephen M. Groff, Director, Division of Medicaid and Medical  
Assistance**

14. TITLE: **Designee for Kara Odom Walker, MD, MPH, MSHS,  
Secretary, Delaware Health and Social Services**

15. DATE SUBMITTED:  
**3/29/2017**

16. RETURN TO:

**Stephen M. Groff  
Director  
Division of Medicaid and Medical Assistance  
P.O. Box 906  
New Castle, Delaware 19720-0906**

**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED:  
March 29, 2017

18. DATE APPROVED:  
June 26, 2017

PLAN APPROVED – ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:  
January 2, 2017

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME:  
Fran McCullough

22. TITLE:  
Associate Regional Administrator

23. REMARKS:

## STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

STATE: DELAWAREMETHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES –  
OTHER TYPES OF CARE**FEDERALLY QUALIFIED HEALTH CENTERS**

The Centers for Medicare and Medicaid Services (CMS) requires that Federally Qualified Health Centers (FQHCs) be reimbursed in compliance with the Benefits Improvement and Protection Act (BIPA) of 2000. Effective January 1, 2001, Delaware will pay 100% of reasonable cost based on an average of the Fiscal Year 1999 and 2000 audited cost report.

The Medicaid Managed Care Organizations are contractually required to include the same service array and the same payment methodology as the State Medicaid FFS contracts with FQHCs. The Medicaid FFS rate is a prospective payment system (PPS) rate paid per FQHC visit. The Delaware Medicaid Program will verify that the FQHC has received the PPS rate for every visit. If there is a discrepancy in payment amounts, DE will make a wraparound payment to the FQHC within 90 days.

FQHCs are assigned a prospectively determined rate per clinic visit based in actual costs reported on their audited cost reports, and they do not correspond with the Federal Fiscal Year, they would span more than one fiscal year. Starting July 1, 2001, the Medicare Economic Index will be used to inflate their rates. The computation is also adjusted each year to reflect any increase or decrease in the Center's Scope of Services.

The Delaware Medical Assistance Program (DMAP) requires that a new provider submit a cost report so that a rate based on reasonable costs can be established. Any new FQHC will be capped at 100% of the highest rate that Medicaid pays to a FQHC for the initial rate year.

Primary Care costs are separated from Administrative and General costs for purposes of rate calculation. The Administrative and General component is capped at 40% of the highest cost. Each cost component is inflated by the current HCFA Medicare Economic Index.

Medicaid will ensure 100% cost payments regardless of the payment mechanism.

X The rate year for FQHC services is July 1 through June 30.

X The payment methodology for FQHCs will conform to section 702 of the BIPA 2000 legislation.

The payment methodology for FQHCs will conform to the BIPA 2000 requirements Prospective Payment System.

For services provided on or after January 2, 2017 the cost of long-acting reversible contraceptives (LARCs) will be based on actual acquisition cost (AAC). The FQHC must submit a separate claim to be reimbursed for the AAC of a LARC.

TN No. SPA #17-003

Supersedes

TN No. SP-385

Approval Date June 26, 2017Effective Date January 2, 2017