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**State/Territory Name: Georgia**

**State Plan Amendment (SPA) #: 16-0010**

This file contains the following documents in the order listed:

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
Atlanta Regional Office
61 Forsyth Street, Suite 4T20
Atlanta, Georgia 30303

**DIVISION OF MEDICAID & CHILDREN'S HEALTH OPERATIONS**

December 31, 2018

Mr. Blake Fulenwider
Deputy Commissioner, Medicaid Chief
Georgia Department of Community Health
2 Peachtree Street, N.W., Suite 36-450
Atlanta, GA 30303

Re: Georgia State Plan Amendment 16-0010

Dear Mr. Fulenwider:

We have reviewed the proposed Georgia state plan amendment, GA 16-0010, which was submitted to the Centers for Medicare & Medicaid Services (CMS) on July 20, 2016. This amendment will expand the Physician UPL program to include (1) all physician practices affiliated with a teaching hospital enrolled in Georgia Medicaid and (2) Eligible mid-level providers.

Based on the information provided, the Medicaid State Plan Amendment GA 16-0010 was approved on December 20, 2018. The effective date of this amendment is July 1, 2016. We are enclosing the approved HCFA-179 and a copy of the new state plan pages.

If you have any additional questions or need further assistance, please contact Amr Ali at Amr.Ali@cms.hhs.gov; 404-562-7338.

Sincerely,

//s//

Shantrina D. Roberts, MSN
Associate Regional Administrator
Division of Medicaid & Children's Health Operations

Enclosures

DEPARTMENT OF HEALTH AND HUMAN SERVICES
HEALTH CARE FINANCING ADMINISTRATION

FORM APPROVED
OMB NO. 0938-0193

| **TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL**<br><br>**FOR: HEALTH CARE FINANCING ADMINISTRATION** | 1. TRANSMITTAL NUMBER:<br>16-010 | 2. STATE<br>GEORGIA |
|---|---|---|
| | 3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID) | |
| TO: REGIONAL ADMINISTRATOR<br>HEALTH CARE FINANCING ADMINISTRATION<br>DEPARTMENT OF HEALTH AND HUMAN SERVICES | 4. PROPOSED EFFECTIVE DATE<br>July 1, 2016 | |

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

☐ NEW STATE PLAN ☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN x☐ AMENDMENT

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

| 6. FEDERAL STATUTE/REGULATION CITATION:<br>42 C.F.R. § 437.205 | 7. FEDERAL BUDGET IMPACT:<br>a. FFY 2016 $1,816,695<br>b. FFY 2017 $5,447,518 |
|---|---|
| 8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:<br>Attachment 4.19-B pages, 4.002 through 4.006 | 9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT *(If Applicable)*:<br>Attachment 4.19-B pages, 4.002 through 4.006 |

10. SUBJECT OF AMENDMENT:
To expand the Physician UPL program to include (1) all physician practices affiliated with a teaching hospital enrolled in Georgia Medicaid And (2) Eligible mid-level providers. The start date would by July 1, 2016

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:

| 12. SIGNATURE OF STATE AGENCY OFFICIAL:<br>//s// | 16. RETURN TO:<br>Department of Community Health<br>Division of Medicaid<br>2 Peachtree Street, NW, 36th Floor<br>Atlanta, Ga 30303-3159 |
|---|---|
| 13. TYPED NAME:<br>Linda Wiant | |
| 14. TITLE: Chief, Division of Medicaid | |
| 15. DATE SUBMITTED: | |

**FOR REGIONAL OFFICE USE ONLY**

| 17. DATE RECEIVED: 07/20/16 | 18. DATE APPROVED: 12/20/18 |
|---|---|
| PLAN APPROVED – ONE COPY ATTACHED | |
| 19. EFFECTIVE DATE OF APPROVED MATERIAL:07/01/16 | 20. SIGNATURE OF REGIONAL OFFICIAL:<br>//s// |
| 21. TYPED NAME:<br>Shantrina D. Roberts | 22. TITLE: Associate Regional Administrator<br>Division of Medicaid & Children's Health Operations |

23. REMARKS: Approved with the following changes to block # 7 authorized by state agency on RAI response dated 12/03/18.

Block # 7 Changed to read: FFY 2016 $2,846,662 and FFY 2017 $11,443,964.

POLICY AND METHODS FOR ESTABLISHING PAYMENT RATES FOR OTHER TYPES OF CARE OR SERVICES

J. PHYSICIAN SERVICES (Includes Physicians, Podiatrists, Optometrists and Psychologists)

Services Provided From October 1, 2005 through June 30, 2016

For physician services provided in a hospital or hospital-based clinic on and after October 1, 2005, faculty practices affiliated with governmental teaching hospitals will be eligible for a supplemental payment. All physician services provided on and after August 1, 2006, by faculty practices affiliated with governmental teaching hospitals located in Metropolitan Statistical Areas (MSAs) will be eligible for a supplemental payment.

A teaching hospital shall be defined as a hospital associated with an accredited medical school that offers clinical and other facilities to those studying to become physicians.

An accredited medical school shall be defined as a medical school accredited by the Liaison Committee on Medical Education (LCME) or the Commission on Osteopathic College Accreditation.

Eligible physician faculty practices consist of those affiliated with the following:
Medical College of Georgia Hospital
Floyd Medical Center
Grady Memorial Hospital
Medical Center of Central Georgia
Memorial Health University Medical Center
Phoebe Putney Memorial Hospital
Satilla Regional Medical Center
The Medical Center

Services Provided On and After July 1, 2016

All services provided by physicians and eligible mid-level providers at a physician practice affiliated with a governmental teaching hospital enrolled in Georgia Medicaid on and after July 1, 2016 will be eligible for a supplemental payment.

An eligible mid-level provider shall be defined to include Advanced Registered Nurse Practitioners (ARNPs), Certified Registered Nurse Anesthetists (CRNAs), Physician Assistants, Certified Nurse Midwives (CNMs), Clinical Social Workers (CSWs), Clinical Psychologists, and Optometrists.

Eligible physician faculty practices on and after July 1, 2016 consist of those affiliated with the following:

Augusta University Medical Center
Colquitt Regional Medical Center
Dekalb Medical Center
Floyd Medical Center
Grady Memorial Hospital
Piedmont Columbus Regional - Midtown Campus
Piedmont Columbus Regional - Northside Campus
The Medical Center, Navicent Health
Phoebe Putney Memorial Hospital
Southeast Georgia Health System - Camden Campus
Southeast Georgia Health System - Brunswick Campus

POLICY AND METHODS FOR ESTABLISHING PAYMENT RATES FOR OTHER TYPES OF CARE OR SERVICES

Methodology for Calculating the Supplemental Payments

The methodology for calculating physician supplemental payments will be the difference between the Medicare equivalent of the average commercial rate and the Medicaid payment. For anesthesia services, the supplemental payment will be the difference between the Medicare rate and the Medicaid rate. Only the physician component of a procedure is eligible for a supplemental payment.

Base data will be collected from each eligible practice, but the Medicare equivalent of the average commercial rate will be calculated by hospital affiliation. To benefit the small urban practices affiliated with Grady Memorial Hospital that do not have the strength in contracting of the larger practices, the Medicare equivalent of the average commercial rate of the largest physician practice affiliated with Grady Memorial Hospital will be used for all physician practices affiliated with Grady Memorial Hospital.

The Medicare equivalent of the average commercial rate will be determined as follows based on a per affiliation calculation (except as noted previously):

1. For the first payment, Medicaid paid claim data for physician professional services will be used for a defined base period (April 2005 to March 2006) for each practice eligible for a physician supplemental payment. The paid claim data will be compiled to identify the number of procedures and payment amounts included in the paid claims, sorted by procedure code for services provided in a hospital setting. For subsequent payments, the data will be collected for the same period for each subsequent year.

   For payments after July 1, 2016, Medicaid paid claim data for physician professional services and eligible mid-level provider services will be used for a defined base period for each faculty practice eligible for a physician supplemental payment.

2. For the first payment, using the same base period as was used for the Medicaid paid claims data, each faculty practice will identify the average payment (including patient share amounts) per procedure code for the practice's five largest commercial payers or all payers. The top five commercial payers will be determined by total billed charges reported by eligible practices. After the first payment, the average payment per procedure code is updated every two years.

3. The base period average commercial payment will be calculated by multiplying the average commercial rate per procedure by the number of times each procedure code was rendered in the base period and paid to eligible practices on behalf of Medicaid beneficiaries as reported from the MMIS. The sum of the product for all procedure codes shall determine the base period's average commercial payment ceiling.

4. For the same base period as used to identify Medicaid claim data and average payments per procedure code for commercial payers, the Medicare fee schedule for physician services will be used to identify the Medicare equivalent payment rates.

POLICY AND METHODS FOR ESTABLISHING PAYMENT RATES FOR OTHER TYPES OF CARE OR SERVICES

5. The base period Medicare payment ceiling will be calculated for each of the procedure codes used to determine the average commercial payment by multiplying the base period non-facility, Medicare allowed rate by the number of times each procedure code was rendered in the base period and paid to eligible practices on behalf of Medicaid beneficiaries as reported from MMIS. The sum of the product for all procedure codes shall represent the base period Medicare equivalent payment ceiling.

6. The base period Medicare equivalent of the average commercial rate will be calculated by dividing the base period average commercial payment ceiling by the base period Medicare payment ceiling. If an average commercial payment rate or Medicare-equivalent payment rate is not available for a particular procedure code, paid claim data for the procedure code will be excluded from the aggregate values.

7. Periodic update to the base period Medicare equivalent of the average commercial rate-- The State shall update this ratio every two years. Average commercial ratios are subject to revision, if necessary, based on the Department's review of provider-reported data regarding commercial payment rates.

Determination of the Supplemental Payment

8. The supplemental payment will be determined by multiplying the Medicare equivalent of the average commercial rate by the applicable Medicare non facility rate per procedure code. The product is then multiplied by Medicaid volume per code (as reported through the MMIS paid claims data) for the payment period. The products for all codes are summed to determine the maximum payment amount for the payment period.

9. The Medicaid supplemental payment for each practice shall equal the payment period maximum amount at the Medicare equivalent of the average commercial rate less all Medicaid payments, including enhanced payments for procedure codes rendered in the payment period and paid to eligible physician practices on behalf of Medicaid beneficiaries as reported from the MMIS paid claims data.

10. Payment wi1l be made quarterly not prior to the delivery of services and will be based on individual CPT codes associated with physician services reported through the State's MMIS paid claims data.

11. Supplemental payment is not available for non-physician services such as, but not limited to, diagnostic laboratory services and the non-physician, technical component of bundled radiology services.

POLICY AND METHODS FOR ESTABLISHING PAYMENT RATES FOR OTHER TYPES OF CARE OR SERVICES

12. For anesthesia services paid on the same basis as Medicare, supplemental payments will be the difference between Medicare equivalent payments and Medicaid payments. Calculated as follows:
    i. For the payment period, multiply the Medicare rate for anesthesia by the number of Medicaid units (base plus time) per procedure code. The Medicare rate should be adjusted depending on the procedure modifier to determine the appropriate Medicare conversion factor.

    ii. Sum the products of the above step to determine total Medicare equivalent payments. This represents the payment ceiling for anesthesia services paid on the same basis as Medicare.

    iii. For the same codes and payment period, subtract the total Medicaid payments from the payment ceiling. This amount represents the total amount eligible for a supplemental payment.

13. For anesthesia services paid on a fixed fee, supplemental payments will be the difference between Medicare equivalent payments and Medicaid payments. Calculated as follows:
    i. MMIS data for a sample period (October 2005 to September 2007) will be used to determine the average number of units (base plus time) per procedure code and by modifier for eligible physician faculty practices. For the payment period, multiply the Medicare rate by the average number of units per procedure code and by the number of times that the procedure code was paid by Medicaid. The Medicare rate should be adjusted depending on the procedure modifier to determine the appropriate Medicare conversion factor.

POLICY AND METHODS FOR ESTABLISHING PAYMENT RATES FOR OTHER TYPES OF CARE OR SERVICES

ii. Sum the products of the above step to determine total Medicare equivalent payments. This represents the payment ceiling for anesthesia services paid on the same basis as Medicare.

iii. For the same code and payment period, subtract total Medicaid payment from the payment ceiling. This amount represents the total amount eligible for a supplemental payment.

14. All supplemental payments will be determined on a retrospective basis and will not be subject to subsequent adjustment.