



DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services

Region 10
2201 Sixth Avenue, MS/RX 43
Seattle, Washington 98121

APR 27 2012

Richard Armstrong, Director
Department of Health & Welfare
Towers Building – Tenth Floor
Post Office Box 83720
Boise, Idaho 83720-0036

RE: Idaho State Plan Amendment Transmittal Number 11-004

Dear Mr. Armstrong:


The Centers for Medicare & Medicaid Services (CMS) National Institutional Reimbursement Team (NIRT) recently approved Idaho State Plan Amendment (SPA) Transmittal Number 11-004.

Although the NIRT has already sent the State a copy of the approval for this SPA, the Seattle Regional Office is following up with an additional copy for the reason that we were in receipt of the original, signed amendment request.

Therefore, enclosed you will find a copy of the official CMS Form 179, amended page(s), and copy of the approval letter from the NIRT for your records.

If you have any questions concerning the Seattle Regional Office role in the processing of this SPA, please contact Deb Washington at (206) 615-2370 or Deborah.Washington@cms.hhs.gov.

Sincerely,


Carol J.C. Peverly
Associate Regional Administrator
Division of Medicaid and Children's Health
Operations

Enclosure

cc: Paul J. Leary, Medicaid Benefits Administrator, Division of Medicaid

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL		1. TRANSMITTAL NUMBER: 11-004	2. STATE IDAHO
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 July 1, 2011 January 1, 2012 (P&I)	
5. TYPE OF PLAN MATERIAL (Check One): <input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" type="checkbox"/> AMENDMENT COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)			
6. FEDERAL STATUTE/REGULATION CITATION: 42 CFR 447.201		7. FEDERAL BUDGET IMPACT: Total (\$) Federal Funds FFY 2011 (7-1-11 to 09-30-11) \$55,635 FFY 2012 (10-1-11 to 06-30-12) \$154,913	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-A. page 2		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Attachment 4.19-A. page 2	
10. SUBJECT OF AMENDMENT: The proposed change is to remove the reduction for non- state government owned hospitals operating cost of five and eight-tenths percent (5.8%) and ten percent (10%) of such hospitals capital cost component. The proposed change will alter the reimbursement floor percentage for hospital cost reimbursement calculations.			
11. GOVERNOR'S REVIEW (Check One): <input checked="" type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input type="checkbox"/> OTHER, AS SPECIFIED: <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL			
12. SIGNATURE OF STATE AGENCY OFFICIAL:		16. RETURN TO:	
13. TYPED NAME: [Redacted] Leslie M. Clement		Leslie M. Clement, Administrator Idaho Department of Health and Welfare Division of Medicaid PO Box 83720 Boise ID 83720-0036	
14. TITLE: Administrator			
15. DATE SUBMITTED: 6/28/11			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED: June 29, 2011		18. DATE APPROVED: April 27, 2012	
PLAN APPROVED – ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: January 1, 2012		20. SIGNATURE OF REGIONAL OFFICIAL: [Redacted]	
21. TYPED NAME: Carol J.C. Peverly		22. TITLE: Associate Regional Administrator Division of Medicaid and Children's Health Operations	
23. REMARKS:			

4/2/12 - Pen & Ink changes authorized by the State (block 4).

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-26-12
Baltimore, Maryland 21244-1850



Center for Medicaid and CHIP Services (CMCS)

Richard Armstrong, Director
Department of Health & Welfare
Towers Building – Tenth Floor
PO Box 83720
Boise, Idaho 83720-0036

APR 27 2012

RE: Idaho SPA TN# 11-004

Dear Mr. Armstrong,

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 11-004. This amendment removes the reductions in place for non-state government owned hospitals for operating costs (5.8 percent) and capital costs (10 percent).

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30), 1903(a) and 1923 of the Social Security Act and the implementing Federal regulations at 42 CFR 447 Subpart C. We are pleased to inform you that Medicaid State plan amendment 11-004 is approved effective as of January 1, 2012. For your files, we are enclosing the HCFA-179 transmittal form and the amended plan pages.

If you have any questions concerning this state plan amendment, please contact Tom Couch, CMS' Boise Outstation Office, at 334-9482 or Thomas.Couch@cms.hhs.gov.

Sincerely,

Cindy Mann
Director, CMCS

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17. DATE RECEIVED: June 29, 2011		18. DATE APPROVED: APR 27 2012	
PLAN APPROVED - ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: JAN - 1 2012		20. SIGNATURE OF REGIONAL OFFICIAL:	
21. TYPED NAME: Penny Thompson		22. TITLE: Deputy Director, CMCS	
23. REMARKS:			

4/2/12 - Pen & Ink changes authorized by the State (block 4).

- **Case-Mix Index.** The Case-Mix Index for a hospital is the average weight of values assigned to a range of diagnostic related groups, including but not limited to, those used in the Medicare system or adjoining states and applied to Medicaid discharges included in a hospital's fiscal year end settlement. The index will measure the relative resources required to treat Medicaid inpatients. The Case-Mix Index of the Current Year will be divided by the index of the Principal Year to assess the percent change between the years.
- **Charity Care.** Charity Care is care provided to individuals who have no source of payment third-party or personal resources.
- **Children's Hospital.** A Children's Hospital is a Medicare certified hospital as set forth in 42 CFR Section 412.23 (d)
- **Critical Access Hospitals (CAH).** A rural hospital with twenty five (25) or less beds as set forth in 42 CFR Section 485.602.
- **Cost Report.** A Cost Report is the complete Medicare cost reporting form HCFA 2552, or its successor, as completed in full and accepted by the Intermediary for Medicare cost settlement and audit.
- **Current Year.** Any hospital cost reporting period for which Reasonable Cost is being determined will be termed the Current Year.
- **Customary Charges.** Customary Charges reflect the regular rates for inpatient services charged to patient(s) liable for payment for their services on a charge basis. Implicit in the use of charges as the basis for comparability (or for apportionment under certain apportionment methods) is the objective that services are related to the cost of services billed to the Title XIX program. No more than ninety-one and seven-tenths percent (91.7%) of covered charges will be reimbursed for the separate Operating Costs for either total inpatient services or total outpatient services at the time of final cost settlement for any fiscal year with the exception set forth in subsection 453. For in-state hospitals that are not specified in Section 56-1408 (effective 07/01/2011), Idaho Code, no more than one hundred percent (100%) of covered charges will be reimbursed. No more than one hundred one percent (101%) of covered charges will be reimbursed to Critical Access Hospitals (CAH) for in-state private hospitals. No more than eighty-seven and one-tenth (87.1%) of covered charges will be reimbursed to out-of-state hospitals.
- **Disproportionate Share Hospital (DSH) Allotment Amount.** The Disproportionate Share Hospital (DSH) Allotment Amount is determined by CMS which is eligible for federal matching funds in the federal fiscal period for disproportionate share payments.
- **Disproportionate Share Threshold.** The Disproportionate Share Threshold shall be: a. the arithmetic mean plus one (1) standard deviation of the Medicaid Inpatient Utilization Rates of all Idaho hospitals; or, b. a Low Income Utilization Rate exceeding twenty-five percent (25%).