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**State/Territory Name: Idaho**

**State Plan Amendment (SPA) #: 17-0010**

This file contains the following documents in the order listed:

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

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
Seattle Regional Office  
701 Fifth Avenue, Suite 1600, MS/RX-200  
Seattle, WA 98104



Division of Medicaid & Children's Health Operations

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November 20, 2017

Russ Barron, Director  
Idaho Department of Health and Welfare  
PO Box 83720  
Boise, Idaho 83720-0036

**RE: ID State Plan Amendment (SPA) Transmittal Number #17-0010 – Approval**

Dear Mr. Barron:

We have reviewed the proposed amendment to Attachment 4.19-B of your Medicaid State plan submitted under transmittal number (TN) 17-0010. This SPA establishes an alternative payment methodology (APM) for medical resident physicians at a federally qualified health center (FQHC).

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 17-010 is approved effective as of July 1, 2017. For your files, we are enclosing the CMS-179 transmittal form and the amended plan page.

If there are any questions concerning this approval, please contact me or your staff may contact Tom Couch at [Thomas.Couch@cms.hhs.gov](mailto:Thomas.Couch@cms.hhs.gov) or (208) 861-9838.

Sincerely,

A solid black rectangular box used to redact the signature of David L. Meacham.

David L. Meacham  
Associate Regional Administrator

Enclosures

cc:

Alan Brewington, IDHW  
Dea Kellom, IDHW

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

**FOR: HEALTH CARE FINANCING ADMINISTRATION**

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

1. TRANSMITTAL NUMBER:  
17-0010

2. STATE  
IDAHO

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

4. PROPOSED EFFECTIVE DATE  
7-1-2017

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:  
42 CFR 405.2468

7. FEDERAL BUDGET IMPACT: FFY 2017: \$0  
~~\$612,500 Federal Funds (P&I)~~ FFY 2018: \$612, 500 Federal Funds,  
~~\$262,500 State General Funds (P&I)~~ \$262, 500 State General Funds

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:  
Attachment 4.19-B, Page 9.a.

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION  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

10. SUBJECT OF AMENDMENT:

Beginning in July 1, 2017, FQHC's that have medical resident physicians at the FQHC will be eligible for an alternative payment Methodology that will enhance the Prospective Payment System (PPS) Rate.

11. GOVERNOR'S REVIEW (*Check One*):

☒ GOVERNOR'S OFFICE REPORTED NO COMMENT

☐ OTHER, AS SPECIFIED:

☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED

☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:  
LISA HETTINGER

14. TITLE:  
Deputy Director

15. DATE SUBMITTED: 9/29/2017

16. RETURN TO:

Lisa Hettinger, Deputy Director  
Idaho Department of Health and Welfare  
Division of Medicaid  
PO Box 83720  
Boise ID 83720-0009

**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED:  
9/29/17

18. DATE APPROVED: 11/20/17

**PLAN APPROVED – ONE COPY ATTACHED**

19. EFFECTIVE DATE OF APPROVED MATERIAL:  
7/1/17

20. SIGNATURE OF REGIONAL ADMINISTRATOR: Digitally signed by David L. Meacham -S

21. TYPED NAME:  
David L. Meacham

22. TITLE:  
Associate Regional Administrator

23. REMARKS:

11/16/17: State authorized P&I change to box 7

- 9) *ALTERNATE PAYMENT METHODOLOGY FOR PRIMARY CARE RESIDENTS*  
Beginning July 1, 2017, FQHCs that have medical resident physicians at an FQHC, are eligible for an alternate payment methodology that will enhance the Prospective Payment System (PPS) rate.

- a) A primary care resident physician is an individual with an Idaho post graduate training license who is enrolled in an Idaho FQHC primary care residency program.
- b) The alternate payment is made through a quarterly settlement process. To be eligible for the alternate payment, a FQHC must complete an agreement with Idaho Medicaid under which the FQHC will report, on a quarterly basis, the hours worked by primary care resident physicians and the percentage of patients treated at the FQHC who are Medicaid eligible at the time of service. The agreement will include a statement that both the FQHC and the Department agree to all provisions for the alternate payment and require an attestation from the FQHC that enhanced funding paid under this provision will not supplant or duplicate residency funding paid by the Medicare program. The alternate payment will not duplicate any reimbursement for residency costs already paid in the Medicaid per encounter rate.

For Each FQHC:

Medicaid Residency Cost = Total Residency Expense determined in c) x Ratio of Medicaid Encounters to all Encounters served by the Resident.

- c) The residency cost is based on the number of hours worked by primary care resident FQHC physicians, which is multiplied by the FQHC resident physician's hourly rate (includes training costs, benefits, direct overhead costs), and which is multiplied by the ratio of the Medicaid encounters to all encounters served by the resident for the period. The cost will be in compliance with the allowable cost provisions of 42 CFR 405.2468.
- d) The payment to an FQHC for primary care resident physicians will not exceed an FQHC's Medicaid share for training primary care resident physicians, as calculated in subparagraphs (b) and (c), above.
- e) Alternate payments made in accordance with this methodology will be distributed on a quarterly basis.