

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 , CHIP, and Survey & Certification**

Mr. Brian Osberg  
State Medicaid Director  
Minnesota Department of Human Services  
540 Cedar Street  
P.O. Box 64983  
St. Paul, MN 55164-0983

**MAY 13 2010**

RE: Minnesota 09-026

Dear Mr. Osberg:

We have reviewed the proposed amendment to Attachment 4.19-D of your Medicaid State plan submitted under transmittal number (TN) 09-026. Effective for services on or after July 1, 2009, this amendment revises methods and standards for determining payment rates for services provided by nursing facilities (NF). Specifically this amendment suspends the phase-in of rebased operating payment rates effective October 1, 2009 through June 30, 2011, reduces the amount paid to a NF for a single-bed room for a Medicaid resident that has an approved medical necessity, provides for a flat payment amount for a NF planned bed closure and eliminates the current negotiation process, requires payment for ancillary services for NF residents be billed separately and not be included in the costs used to determine per diem rates, and for rate years effective October 1, 2011 and October 1, 2012 it eliminates the automatic operating rate inflation adjustment for the portion of the NF rate determined under alternative payment rates.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30), and 1903(a) 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 09-026 is approved effective July 1, 2009. We are enclosing the HCFA-179 and the amended plan pages.

If you have any questions, please call Todd McMillion at 608-441-5344.

Sincerely,

  
Cindy Mann  
Director

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