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State/Territory Name: MN

State Plan Amendment (SPA) #: 11-023

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form (with 179-like data)
- 3) Approved SPA Pages

September 11, 2014

Ann Berg, Acting State Medicaid Director
Minnesota Department of Human Services
P.O. Box 64983
St. Paul, MN 55164-0983

Dear Ms. Berg:

Enclosed for your records is an approved copy of the following State Plan Amendment:

Transmittal #11-023 -Supplemental Payment for Certain Physician, EPSDT and
Other Licensed Practitioner Services
--Effective Date: September 1, 2011

If you have any additional questions, please have a member of your staff contact Courtenay Savage at (312) 353-3721 or via e-mail at Courtenay.Savage@cms.hhs.gov.

Sincerely,

/s/

Alan Freund
Acting Associate Regional Administrator
Division of Medicaid and Children's Health Operations

cc: Sean Barrett, MDHS

Enclosure

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

1. TRANSMITTAL NUMBER:
11-23

2. STATE
Minnesota

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
September 1, 2011

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 447.321

7. FEDERAL BUDGET IMPACT:
a. FFY '11: 0
b. FFY '12: \$2,000,000

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:
Att. 4.19-B: pp. 8, 10k, 34, 45d, 8c, 8d

Att. 4.19-B, Supplement 2, p. 12, 12.1
CES, 9/9/14

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):
Att. 4.19-B: pp. 8, 10k, 34, 8c, 8d, 45d

CES, 9/9/14

10. SUBJECT OF AMENDMENT:

Implements a new supplemental payment for certain physician, EPSDT and other licensed practitioners services.

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:

[Redacted Signature]

16. RETURN TO:

~~XXXXXXX~~ Sean Barrett CES, 9/9/14
Lisa Knazan
Minnesota Department of Human Services
Federal Relations Unit
P.O. Box 64983
St. Paul, MN 55164-0983

13. TYPED NAME:
Ann Berg

14. TITLE:
Deputy Medicaid Director

15. DATE SUBMITTED:
September 30, 2011

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:
9/30/11

18. DATE APPROVED:
9/11/14

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:
9/1/11

20. SIGNATURE OF REGIONAL OFFICIAL:
/s/

21. TYPED NAME:
Alan Freund

22. TITLE:
Acting Associate Regional Administrator

23. REMARKS:

STATE: MINNESOTA

ATTACHMENT 4.19-B

Effective: September 1, 2011

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TN: 11-23

Approved: 9/11/14

Supersedes: 11-02 (04-10, 04-04)

4.b. Early and periodic screening, diagnosis, and treatment services
(continued)

Rate Formula

The medical assistance payment is the computed percentage of the daily rate multiplied by the total facility daily rate.

All of the following conditions must be met in order for a claim to be made:

1. residents must be eligible for medical assistance
2. residents received rehabilitative services that day
3. all documentation requirements are met

A residential facility's: daily medical assistance rate will be reviewed and updated quarterly for changes in the negotiated rate and annually for changes in time study or cost data.

Personal care assistant services identified in an Individualized Family Service Plan (IFSP) or Individualized Education Plan (IEP) under the Individuals with Disabilities Education Act (IDEA) and- provided by school districts during the school day to children with IFSPs/IEPs are paid pursuant to the methodology in item 13.d.V Rehabilitative services.

Other EPSDT providers are paid in accordance with the methodology set forth elsewhere in this Attachment for the provider type enrolled to provide the 'service.

The base rates as described in this item are adjusted by the following paragraphs of Supplement 2:

- A. IHS/638 Facilities
- B. Critical Access Hospitals
- C. TPL
- D. MinnesotaCare Tax Rate Adjustment effective for service dates beginning 01/01/04
- E. Modifiers
- G. Community and Public Health Clinics
- I. Exceptions to payment methodology and reconstructing a rate

STATE: Minnesota

ATTACHMENT 4.19-B

Effective: September 1, 2011

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TN: 11-23

Approved: **9/11/14**

Supersedes: 11-02 (04-10, 04-04)

4.b. Early and periodic screening, diagnosis, and treatment services
(continued)

O. Rate increase effective 10/1/07 and 7/1/08.

P. Rate increase effective 07/01/07

bb. Reimbursement for costs of services provided by a non-state,
government-operated community mental health center

5.a. Physicians' services, whether furnished in the office, the patient's home, a hospital, a nursing facility or elsewhere (continued).

payers will be averaged to determine the average commercial payer rate for each HCPCS code.

4. For each of the two physician practice group data sets, the average commercial payer rate is multiplied by the Medicaid frequency for the HCPCS codes for that physician practice group.
5. For each of the two physician practice group data sets, the Medicaid payment amount is subtracted from the result in paragraph 4 for each HCPCS code.
6. The final payment amount for each of the two physician practice groups is equal to the sum of the amounts in paragraph 5.

Laboratory services are paid using the same methodology as item 3, Other lab and x-ray services.

With the exception of pediatric vaccines in item 2.a., Outpatient hospital services, covering the Minnesota Vaccines for Children program, **vaccines** are paid using the same methodology as item 2.a., Outpatient hospital services.

All other injectables are paid using the same methodology as item 2.a.

The base rates as described in this item are adjusted by the following clauses of Supplement 2 of this Attachment:

- C. IHS/638 Facilities
- D. Critical Access Hospitals
- F. TPL
- D. MinnesotaCare Tax Rate Adjustment
- E. Modifiers
- F. Family Planning
- G. Community and Public Health Clinics
- H. Medicare Cap
- I. Exceptions to payment methodology and reconstructing a rate
- J. Copay converted to \$3.00 provider rate reduction
- P. Rate increase effective 07/01/07
- R. Professional services decrease effective July 1, 2009.
- S. Professional services decrease effective January 1, 2010
- T. Rate increase July 1, 2010
- V. Facility and professional services rate decrease 2010
- W. Physician and physician assistant rates are adjusted by the professional services rate decrease 2011
- aa. Anesthesia service rates are adjusted by the miscellaneous services and material rate decrease 2011.
- bb. Reimbursement for costs of services provided by a non-state, government-operated community mental health center

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Approved: 9/11/14
Supersedes: 11-19 (00-11, 97-21)

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11.b. Occupational therapy.

Occupational therapy services are paid using the same methodology as item 5.a., Physicians' services.

Occupational therapy assistants are paid the lower of:

1. submitted charge; or
2. 100% of the fee schedule rate if the services are provided under the direction of the occupational therapist who is on the premises; or
3. 65% of the fee schedule rate if the services are provided when the occupational therapist is not on the premises.

The base rates as described in this item are adjusted by the following clauses of Supplement 2 of this Attachment:

- aa. Miscellaneous services and materials rate decrease 2011
- bb. Reimbursement for costs of services provided by a non-state, government-operated community mental health center

13.d. Rehabilitative services. (continued)

Assertive community treatment (ACT) services and residential rehabilitative services provided by IHS/638 facilities are paid according to the encounter rate specified on page 1 of this Attachment.

ACT services include case management services. Therefore, ACT services providers do not receive payment for the following case management services in the same month ACT services are provided, except for the first and last months of ACT services:

1. mental health targeted case management services under item 19.a.
2. relocation service coordination services under item 19.c.
3. case management services for persons not on a §1915(c) waiver who are vulnerable adults or adults with MR/RC under item 19.d.

The base rate as described in this item is adjusted by the following clauses of Supplement 2 of this Attachment:

- A. IHS/638 Facilities
- B. Critical Access Hospitals
- C. TPL
- D. MinnesotaCare Tax Rate Adjustment
- E. Modifiers
- G. Community and Public health Clinics
- I. Exceptions to payment methodology and reconstructing a rate
- P. Rate Increase Effective July 1, 2007
- T. Rate Increase July 1, 2010
- bb. Reimbursement for costs of services provided by a non-state, government-operated community mental health center

Effective January 1, 2002, provider travel time is covered if a recipient's individual treatment plan requires the provision of mental health services outside of the provider's normal place of business. This does not include travel time included in other billable services.

Payment for **EPSDT rehabilitative services identified in IFSPs/IEPs** under the Individuals with Disabilities Education Act (IDEA) and provided by school districts to children with IFSPs/IEPs during the school day is pursuant to a cost-based, per child encounter rate. Each school district has separate per encounter rates for the EPSDT rehabilitative services listed in Attachments 3.1-A/B, item 13.d and for personal care assistant services in Attachments 3.1-A/B, item 4.b. Payment is made when there is an encounter by a Medical Assistance child for the service category. No more than one payment in each service category can be made per child, per day, by a school district.

Effective July 1, 2011, payment for chemical dependency treatment services is pursuant to statewide graduated rate and complexity standards, as reflected on the following chart:

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Effective: September 1, 2011
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Supersedes:

Supplement 2 to ATTACHMENT 4.19-B
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bb. Reimbursement for costs of services provided by a non-state, government-operated community mental health center

Qualified physician, EPSDT and occupational therapy services provided by a non-state, governmental operated community mental health center, on or after September 1, 2011, are reimbursed for the actual incurred costs of providing services to eligible Medicaid beneficiaries. The non-state, governmental operated community mental health center must certify its expenditures as eligible for federal financial participation in order to settle to actual incurred costs for Medicaid services provided in the non-state, governmental operated community mental health center. The CMS approved Medicaid cost report entitled "Hennepin County Mental Health Center Cost Report" is due from the non-state, governmental operated community mental health center twelve months after the end of the provider's fiscal year, hereinafter referred to as the calendar year. An initial settlement will be processed within six months of receiving an approved cost report. A final settlement will be processed within twelve months of receiving the approved cost report. For the last quarter of calendar year 2011, and the entire calendar years 2012 and 2013, the final settlement will be processed by February 1, 2012. The payments will be paid to the non-state, governmental operated community mental health center in an amount based on the provider's reconciled costs for providing physician, EPSDT, and occupational therapy rehabilitative services to Medicaid recipients, less total payments for Medicaid covered services allowable elsewhere in Attachment 4.19-B, TPL payments, Medicare payments, and spenddown obligations. Reconciled costs will be calculated using CMS-approved cost reporting methods approved by the Department. The non-state, governmental operated community mental health center is required to comply with cost allocation principles found in OMB Circular A-87. For purposes of these payments, effective for services provided on or after September 1, 2011, costs shall be calculated as follows:

Costs will be calculated using the CMS-approved cost report on file with the Department for the cost report time period. The non-state, governmental operated community mental health center will submit the Hennepin County Mental Health Center cost report that is prepared in accordance with a cost reporting methodology developed by the office that complies with OMB Circular A-87. This cost report must be submitted to the office no later than the last day of the twelfth month following the provider's fiscal year end. Payments will be the amounts calculated under Step Four of the following formula:

Step One: Determine the amount of the non-state, governmental operated community mental health center provider's charges for the eligible Medical Assistance procedure codes and Medical Assistance payment for claims for these codes incurred during the provider's fiscal year and adjudicated to a paid status through the MMIS.

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Page 12.1

bb. Reimbursement for costs of services provided by a non-state, government-operated community mental health center (cont'd)

Step Two: Determine the amount of the non-state, governmental operated community mental health center provider's reconciled costs for the provider's fiscal year for providing physician, EPSDT, occupational therapy rehabilitative services for Medical Assistance eligible persons. Cost for the provider's fiscal year will be calculated by multiplying the provider's charges for eligible CPT codes identified in Step One by the cost-to-charge ratio from the cost report on file with the Department corresponding to the fiscal year under consideration.

Step Three: Subtract the total Medicaid claims paid (including Medicare payments, spenddown obligations, and Third Party Liability) for the eligible procedure codes determined in Step One from the cost calculated in Step Two. If Medicaid reimbursement exceeds cost calculated in Step Two, an overpayment has been made. The Department will recover the overpayment in accordance with section 1903(d)(2) of the Social Security Act.

Step Four: If the amount calculated in Step Three is greater than zero, the provider will receive a payment equal to the amount calculated in Step Three multiplied by the Federal Medical Assistance Percentage (FMAP) rate for Minnesota in effect at the time of the payment.