

Table of Contents

State/Territory Name: MN

State Plan Amendment (SPA) #: 11-030a

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

Center for Medicaid and CHIP Services (CMCS)

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

MAR 21 2012

RE: Minnesota State Plan Amendment (SPA) 11-30a

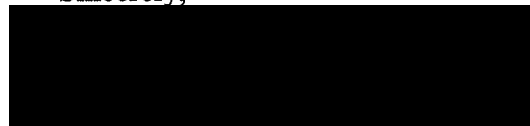
Dear Mr. Godfrey:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 11-30a. Effective for services on or after October 1, 2011, this amendment revises methodology for making payments for inpatient hospital services. Specifically, this amendment changes the distribution schedule for medical education payments to hospitals and regional treatment centers (RTC).

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 regulations at 42 CFR 447 Subpart C. We hereby inform you that Medicaid State plan amendment 11-30a is approved effective October 1, 2011. 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 (CMCS)

Enclosure

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL		1. TRANSMITTAL NUMBER: 11-30a	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 October 1, 2011	
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 (in thousands) a. FFY '12: 0 b. FFY '13: 0	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Att. 4.19-A (Inpatient Hospital) p. 43; (RTC) p.104.		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Same	
10. SUBJECT OF AMENDMENT: Medical Education payments to teaching inpatient hospitals, Regional Treatment Centers, RHC's, FQHC's, physicians, chiropractors, clinics, dentists and pharmacies			
11. GOVERNOR'S REVIEW (Check One):			
<input checked="" type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL <input type="checkbox"/> OTHER, AS SPECIFIED:			
12. SIGNATURE OF STATE AGENCY OFFICIAL:		16. RETURN TO:	
[Redacted Signature] 13. TYPED NAME: Ann Berg 14. TITLE: Deputy Medicaid Director 15. DATE SUBMITTED: December 23, 2011		Lisa Knazan Minnesota Department of Human Services Federal Relations Unit PO Box 64983 St. Paul, MN 55164-0983	
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED:		18. DATE APPROVED: MAR 21 2012	
PLAN APPROVED - ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: OCT - 1 2011		20. SIGNATURE OF REGIONAL OFFICIAL: [Redacted Signature]	
21. TYPED NAME: Penny Thompson		22. TITLE: Deputy Director, CMCS	
23. REMARKS:			

STATE: MINNESOTA
Effective: October 1, 2011
TN: 11-30a

ATTACHMENT 4.19-A
Inpatient Hospital
Page 43

Approved: **MAR 21 2012**

Supersedes: 11-12 (11-05, 10-23, 10-11, 09-21, 09-13, 09-08, 09-02, 08-10/07-12/07-11/07-03/07-02/05-13/04-15(a)/04-02/03-39/03-02/02-28/02-11/02-05/01-25/01-19/01-17/01-01/00-29/00-04/99-23-

If the attending physician indicates that the patient is in need of continued mental health inpatient treatment and that the patient is competent to consent to treatment (or has a substitute decision maker with the authority to consent to treatment).

Rates are established through the bid process with negotiation based on the cost of operating the hospital's mental health unit as derived from the Medicare cost report. The cost information, for comparison to a state-operated hospital, is adjusted to take into account average acuity and length of stay differences.

15.08 Medical education.

In addition to Medical Assistance payments included in this Attachment, Medical Assistance provides for an additional annual payment ~~for: 1) State Fiscal Year 2006 (July 1, 2005 through June 30, 2006), which includes a Department payment made for that state fiscal year and distributed by a sponsoring institution prior to October 1, 2006; 2) State Fiscal Year 2007 (July 1, 2006 through June 30, 2007), which includes a Department payment made for that state fiscal year and distributed by a sponsoring institution prior to October 1, 2007; and 3) for State Fiscal Year 2008 2011 and thereafter, which includes a Department medical education payment made for each state fiscal year and distributed by to a sponsoring institution prior to December 15~~ by April 30 of each year for the previous state fiscal year, for distribution to Medical Assistance-enrolled teaching hospitals. Effective July 1, 2007, the Medical Assistance payment is increased in an amount equal to:

- (1) \$7,575,000, multiplied by a proportion equal to the hospital's public program revenue divided by the total amount of public program revenue of all eligible training sites. Public program revenue is the sum of a provider's revenue from medical assistance, prepaid medical assistance, general assistance medical care and prepaid general assistance medical care. Public program revenue means revenue from medical assistance, prepaid medical assistance, general assistance medical care, and prepaid general assistance medical care.
- (2) For hospitals with public program revenue equal to or greater than 0.98 percent of the total public program revenue of all eligible training sites, payments are increased by 20 percent.
- (3) Payments to training sites with public program revenue less than 0.98 percent of the total public program revenue of all training eligible sites are reduced proportionately to fund the payment increases described in sub-item (2).
- (4) Training sites with no public program revenue are not eligible for increased payments.

In accordance with Code of Federal Regulations, title 42, section 447.253(b)(2), this payment will not exceed the Medicare upper payment and charge limits as specified in Code of Federal

MAR 21 2012

- (B) If the DSH payment in item (A) would cause a facility to exceed its facility-specific DSH limit under §1923(g) of the Act, the amount exceeding the limit is prorated among the remaining facilities. This payment formula is applied until any of the following occur:
- (1) All of the formerly unexpended DSH allotment is expended.
 - (2) All of the RTCs have DSH payments that equal their facility-specific DSH limits.
 - (3) The DSH payments to IMDs exceed the limit established under §1923(h) of the Act.

2.7 Additional Medical Education Payment

Medical Assistance provides for an additional annual payment for: 1) State Fiscal Year 2006 (July 1, 2005 through June 30, 2006), which includes a Department payment made for that state fiscal year and distributed by a sponsoring institution prior to October 1, 2006; and 2) State Fiscal Year 2007 (July 1, 2006 through June 30, 2007), which includes a Department payment made for that state fiscal year and distributed by a sponsoring institution prior to October 1, 2007; and 3) for State Fiscal Year 2008 2011 and thereafter, which includes a Department medical education payment made for each fiscal year and distributed by to a sponsoring institution prior to ~~October 1~~ April 30 of each year for the previous state fiscal year, for distribution to Medical Assistance-enrolled teaching hospitals. Effective July 1, 2007, the Medical Assistance payment is increased by an amount equal to:

- (A) \$7,575,000 multiplied by a proportion equal to the hospital's public program revenue divided by the total amount of public program revenue of all eligible training sites. Public program revenue is the sum of a provider's revenue from medical assistance, prepaid medical assistance, general assistance medical care and prepaid general assistance medical care.
- (B) For hospitals with public program revenue equal to or greater than 0.98 percent of the total public program revenue of all eligible training sites, payments are increased by 20 percent.
- (C) Payments to training sites with public program revenue less than 0.98 percent of the total public program revenue of all training eligible sites are reduced proportionately to fund the payment increases described in paragraph (B)

In accordance with Code of Federal Regulations, title 42, section 447.253(b)(2), this payment will not exceed the Medicare upper payment and charge limits as specified in Code of Federal Regulations, title 42, section 447.272.