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State/Territory Name: MN

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

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

Department of Health & Human Services
Centers for Medicare & Medicaid Services
233 North Michigan Avenue, Suite 600
Chicago, Illinois 60601-5519

CMS
CENTERS for MEDICARE & MEDICAID SERVICES

July 9, 2012

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

Dear Mr. Godfrey:

Enclosed for your records is an approved copy of the following State plan amendment:

Transmittal #11-030b - Medical Education Payments Distribution Date
--Effective Date: October 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,

[redacted]

Verlon Johnson
Associate Regional Administrator
Division of Medicaid and Children's Health Operations

cc: Ann Berg, MDHS

Enclosure

DEPARTMENT OF HEALTH AND HUMAN SERVICES
HEALTH CARE FINANCING ADMINISTRATION

FORM APPROVED
OMB NO. 0938-0193

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL

FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER: 11-30b

2. STATE: Minnesota

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)*:

☐ NEW STATE PLAN ☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN X 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-B (RHC) pp. 4a,4c; (FQHC) pp. 5a,5c; (Physicians) p. 10h; (Chiropractor) p. 15; (Clinic) p. 30; (Dental) p. 31b; (Prescribed drugs)p. 37c.

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT *(If Applicable)*: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

10. SUBJECT OF AMENDMENT:
Medical Education payments to RHC's, FQHC's, physicians, chiropractors, clinics, dentists and pharmacies

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

13. TYPED NAME:
Ann Berg

14. TITLE:
Deputy Medicaid Director

15. DATE SUBMITTED:
December 23, 2011

16. RETURN TO:

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:
December 23, 2011

18. DATE APPROVED: JUL - 9 2012

PLAN APPROVED – ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:
October 1, 2011

20. SIGNATURE OF REGIONAL OFFICIAL:
[redacted]

21. TYPED NAME:
Verlon Johnson

22. TITLE:
Associate Regional Administrator

23. REMARKS:

FORM HCFA-179 (07-92)

2.b. Rural health clinic services and other ambulatory services that are covered under the plan and furnished by a rural health clinic.

other clinics in the same or adjacent areas with similar case loads. If no comparable provider exists, the Department will compute a clinic-specific rate based upon the clinic's budget or historical costs adjusted for changes in the scope of services.

A clinic providing services under a contract with a Medicaid managed care entity (MCE) will receive quarterly state supplemental payments for the cost of providing such services. The supplemental payments are the difference between the payments the clinic receives from the MCE and the payments the clinic would have received in accordance with the PPS methodology of §1902(bb) of the Act.

Alternative Payment Methodology I

For a rural health clinic paid under this alternative payment methodology in accordance with §1902(bb)(6) of the Act, the methodology is 100% of cost as determined using Medicare cost principles, plus: 1) ~~for Medical Assistance enrolled teaching clinics,~~ an additional annual payment described below, ~~for: a) 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; `b) 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 c)~~ for state fiscal year ~~2008~~ 2011 and thereafter which includes a Department medical education payment for each state 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 clinics, and 2) qualifying payments for meeting the incentive criteria for achieving optimal diabetic or cardiovascular care as described below in item D.

The Department will pay for clinic services as follows:

A. A clinic will be paid for the reasonable cost of clinic services and other ambulatory services, less the cost of providing dental services, on the basis of the cost

2.b. Rural health clinic services and other ambulatory services that are covered under the plan and furnished by a rural health clinic. (continued)

- Patient is taking aspirin daily if over age 40; and
- Patient is not using tobacco; and
- For diabetic only, Hemoglobin A1c levels at less than 8.

Each recipient must have had at least two prior office visits with the claiming clinic within the six months before the submission of the claim for the additional payment. Eligible clinics must demonstrate the above optimal diabetic and/or cardiovascular care for each recipient. Clinics must submit documentation of the provision of specific services and complete clinical results per recipient that meet the above criteria for optimal diabetic and/or cardiovascular care. Effective July 1, 2009, the rate adjustment is $250 plus 2% every six months when all of the above criteria are met.

Alternative Payment Methodology II

For a rural health clinic paid under this alternative payment methodology in accordance with §1902(bb)(6) of the Act, the methodology is the clinic's PPS rate plus 4 percent through State Fiscal Year 2005.

Effective January 1, 2006, the methodology is the clinic's PPS rate plus: 1) 2 percent plus 2) ~~(for Medical Assistance enrolled teaching clinics)~~ an additional annual payment described below, ~~for: a) 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; b) 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 c)~~ 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 ~~October 1~~ April 30 of each year for the previous state fiscal year for distribution to Medical Assistance enrolled teaching clinics, 3) beginning July 1, 2007, qualifying payments for meeting incentive criteria for achieving optimal diabetic or cardiovascular care as described below in item B; and 4) beginning July 1, 2010, qualifying payments for health care home services as described in item C.

2.c. Federally qualified health center (FQHC) services and other ambulatory services that are covered under the plan and furnished by a FQHC. (continued)

loads. If no comparable provider exists, the Department will compute a FQHC-specific rate based upon the FQHC's budget or historical costs adjusted for changes in the scope of services.

A FQHC providing services under a contract with a Medicaid managed care entity (MCE) will receive quarterly state supplemental payments for the cost of providing such services. The supplemental payments are the difference between the payments the FQHC receives from the MCE and the payments the FQHC would have received in accordance with the PPS methodology of §1902(bb) of the Act.

Alternative Payment Methodology I

For a FQHC paid under this alternative payment methodology in accordance with §1902(bb)(6) of the Act, an interim rate is established, subject to reconciliation at the end of the cost reporting period. The alternative payment methodology is 100% of cost as determined using Medicare cost principles, plus: 1) ~~for Medical Assistance enrolled teaching FQHCs,~~ an additional annual payment described below, ~~for: a) 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; b) 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 c)~~ 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 ~~October 1~~ April 30 of each year for the previous state fiscal year for distribution to Medical Assistance enrolled teaching FQHCs, and 2) qualifying payments for meeting incentive criteria for achieving optimal diabetic or cardiovascular care as described below in item D.

The Department will pay for FQHC services as follows:

A. A FQHC will be paid for the reasonable cost of FQHC services and other ambulatory services, less the cost of providing dental services, on the basis of the cost

2.c. Federally qualified health center (FQHC) services and other ambulatory services that are covered under the plan and furnished by a FQHC (continued).

- Patient is not using tobacco; and
- For diabetic only, Hemoglobin A1c levels at less than 8.

Each recipient must have had at least two prior office visits with the claiming FQHC within the six months before the submission of the claim for the additional payment. Eligible FQHCs must demonstrate the above optimal diabetic and/or cardiovascular care for each recipient. To qualify for the rate adjustment, the FQHC must submit documentation of the provision of specific services and complete clinical results per recipient that meet the criteria for optimal diabetic and/or cardiovascular care. Effective July 1, 2009, the rate adjustment is $250 plus 2% every six months when all of the above criteria are met.

Alternative Payment Methodology II

For a FQHC paid under this alternative payment methodology in accordance with §1902(bb)(6) of the Act, the methodology is the FQHC's PPS rate plus 4 percent through State Fiscal Year 2005.

Effective January 1, 2006, the methodology is the FQHC's PPS rate ~~Plus~~ plus : 1) 2 percent plus 2) ~~(for Medical Assistance enrolled teaching FQHCS) an additional annual payment described below, for: a) 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; b) 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 c)~~ 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 ~~October 1~~ April 30 of each year for the previous state fiscal year for distribution to Medical Assistance-enrolled teaching FQHCs, 3) beginning July 1, 2007, qualifying payments for meeting incentive criteria for achieving optimal diabetic or cardiovascular care as described below in item B; and 4) beginning July 1, 2010, qualifying payments for health care home services as described in item C.

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

services delivered by psychiatrists, community mental health centers and essential community providers. For each state fiscal year a Department medical education payment will be ~~distributed by~~ paid to a sponsoring institution prior to ~~October 1~~ April 30 of each year for the previous state fiscal year for distribution to teaching sites providing physician services. Effective July 1, 2007 the payment will be increased in an amount equal to:

(1) $7,575,000 multiplied by a proportion equal to the physician'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.
(2) For physicians 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.

Psychiatric consultations provided on or after October 1, 2006, are paid through rates representing three levels of service complexity and substance, assigning a value to both the primary care physician and the psychiatrist's component of the consultation and combining them to create a single payment rate for each level of psychiatric consultation. Medical Assistance payment is made to the primary care physician who, in turn, is responsible for paying the consulting psychiatrist pursuant to a contract.

Medical Assistance will pay for this service at the lower of:
(1) the submitted charge; or the rate below in (2).
(2)(a) Primary care component is provided by a physician plus the psychiatrist component:

CPT code 99499 HE	$80.85
CPT code 99499 HE TF	$159.69
CPT code 99499 HE TG	$201.10

(b) Primary care component provided by a physician assistant, nurse practitioner, or clinical nurse specialist plus the psychiatrist component:

6.c. Chiropractors' services.

Chiropractors are paid using the same methodology as item 5.a., Physicians' services. As provided for in item 5.a., 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 fiscal year, for distribution to Medical Assistance-enrolled chiropractors.

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

W. Professional services rate decrease 2011

9. Clinic services

Clinic services are paid using the same methodology as item 5.a., Physicians' services, except:

dental services provided by clinics are paid using the same methodology as item 10, Dental services

end-stage renal disease hemodialysis provided by renal dialysis clinics is paid using the same methodology as item 2.a., Outpatient hospital services

As provided for in item 5.a., 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 2011~~-2008~~ and thereafter, which includes a Department medical education payment for each state 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 physician and chiropractic clinics. In accordance with Code of Federal Regulations, title 42, section 447.321(b)(2), this payment will not exceed the Medicare upper payment and charge limits.

Freestanding ambulatory surgical centers:

Payment for facility services or facility component is the lower of:

(1) submitted charge; or

(2) (a) Medicare rates; or

(b) if there is not a Medicare rate, effective October 1, 1992, payment is at 105.6% of the 1990 average submitted charge; or

(c) if there is not a Medicare rate and there is not a 105.6% of the 1990 average submitted charge, effective October 1, 1992, payment is at the State agency established rate, which is derived by backing down the submitted charge to 1990 (by using the CPI) and increasing this amount by 5.6%.

10. Dental services. (continued)

2. Effective July 1, 2007, payment to critical access dental providers who qualify under the criteria at Attachment 3.1-A or B, item 10.G.1-5, will be increased by 30% above the base payment rate described in Attachment 4.19-B, item 10(2), that would otherwise be paid for services provided on or after July 1, 2007, except that for services rendered on or after April 1, 2010 and through June 30, 2010, payment to critical access dental providers will not be increased above the base payment rate.

C. 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~~ 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 dentists. 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 dentist'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.

(2) For dentists 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

12a. Prescribed Drugs (continued):

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 state fiscal year ~~and distributed by~~ to a sponsoring institution prior to ~~October 1~~ April 30 each year for the previous state fiscal year~~,~~ for distribution to Medical Assistance-enrolled pharmacies. 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 pharmacy'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.

(2) For pharmacies 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) Pharmacies with no public program revenue are not