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State/Territory Name: North Dakota

State Plan Amendment (SPA) #: ND-09-023

This file contains the following documents in the order listed:

1) Approval Letter
2) 179
3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-26-12
Baltimore, Maryland 21244-1850

CMS
CENTERS for MEDICARE & MEDICAID SERVICES

Center for Medicaid and State Operations, CMSO

DEC 17 2009

Ms. Maggie D. Anderson, Director
Division of Medical Services
Department of Human Services
600 East Boulevard Avenue
Department 325
Bismarck, ND 58505-0250

Re: North Dakota 09-023

Dear Ms. Anderson:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 09-023. Effective for services on or after July 1, 2009, this amendment modifies the reimbursement methodology to North Dakota's inpatient hospital reimbursement section. Specifically, this amendment provides for a supplemental payment to qualifying Prospective Payment System (PPS) hospitals.

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 TN 09-023 is approved effective July 1, 2009. The HCFA-179 and the amended plan page are attached.

If you have any questions, please contact Christine Storey at (303) 844-7044.

Sincerely,

Cindy Mann
Director
Center for Medicaid and State Operations

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: **09-023**

2. STATE: **North Dakota**

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: **July 1, 2009**

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: **42CFR447 subpart C**

7. FEDERAL BUDGET IMPACT:
a. FFY 2009 $ 997,208
b. FFY 2010 $ 3,930,180

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: **Attachment 4.19-A, Page 8 (new)**

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (*If Applicable*):

10. SUBJECT OF AMENDMENT:
Amends the State Plan to provide for a supplemental payment to PPS hospitals.

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: Maggie D. Anderson, Director, Medical Services Division

12. SIGNATURE OF STATE AGENCY OFFICIAL: Maggie D. Anderson

13. TYPED NAME: **Maggie D. Anderson**

14. TITLE: **Director, Division of Medical Services**

15. DATE SUBMITTED: **September 29, 2009**

16. RETURN TO:
Maggie D. Anderson, Director
Division of Medical Services
ND Department of Human Services
600 East Boulevard Avenue Dept 325
Bismarck ND 58505-0250

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED: [illegible]

18. DATE APPROVED: [illegible]

PLAN APPROVED – ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL: [illegible]

20. SIGNATURE OF REGIONAL OFFICIAL: [illegible]

21. TYPED NAME: [illegible]

22. TITLE: [illegible]

23. REMARKS:

FORM HCFA-179(07-92) *Instructions on Back*

Supplemental Payment for Inpatient Hospital Services provided by Hospitals paid using PPS.

Effective July 1, 2009, North Dakota hospitals that are paid a PPS rate for inpatient hospital services shall receive a supplemental payment payable quarterly with the first payment being made no sooner than the quarter ending December 31, 2009 and the final payment being made no later than the quarter ending September 30, 2015.

To qualify for a supplemental payment, a hospital's interim cost-to-charge ratio payable for outpatient services must be less than the hospital's cost-to-charge ratio in effect June 30, 2009.

The annual supplemental payment shall not exceed the percentage shown below for each fiscal year times the hospital's Medicaid operating costs for inpatient services as of June 30, 2007.

The annual supplemental payment made in accordance with this provision shall not exceed the difference between the hospital's inpatient Medicaid expenditures and the Medicare upper payment limit for the hospital.

Fiscal Year	Maximum Supplemental Payment Percentage
2010	30%
2011	25%
2012	20%
2013	15%
2014	10%
2015	5%