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State/Territory Name: North Dakota

State Plan Amendment (SPA) #: ND-17-0019

This file contains the following documents in the order listed:

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

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
Denver Regional Office
1961 Stout Street, Room 08-148
Denver, CO 80294



REGION VIII - DENVER

December 7, 2017

Maggie Anderson, Medicaid Director
Division of Medical Services
North Dakota Department of Human Services
600 East Boulevard Avenue, Dept. 325
Bismarck, ND 58505-0250

RE: North Dakota #17-0019

Dear Ms. Anderson:

We have reviewed the proposed State Plan Amendment (SPA) submitted under transmittal number (TN) 17-0019. This amendment updates North Dakota Medicaid clinic services' rates.

Please be informed that this State Plan Amendment was approved today with an effective date of July 1, 2017. We are enclosing the CMS-179 and the amended plan page(s).

In order to track expenditures associated with this amendment, North Dakota should follow the CMS-64 reporting instructions outlined in Section 2500 of the State Medicaid Manual (SMM).

This amendment will affect expenditures reported on the Form CMS-64.9 Base:

Line 8, Dental Services
Line 10, Clinic Services

If you have any questions concerning this amendment, please contact Kirstin Michel at (303) 844-7036.

Sincerely,

A solid black rectangular box used to redact the signature of Richard C. Allen.

Richard C. Allen
Associate Regional Administrator
Division for Medicaid & Children's Health Operations

cc: Melissa Rosales

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December 7, 2017

Maggie Anderson, Medicaid Director
North Dakota Department of Human Services
Medical Services Division
600 E. Boulevard Avenue, Dept. 325
Bismarck, ND 58505

Re: ND-17-0019 Companion Letter

Dear Ms. Anderson:

This letter is being sent as a companion to our approval of ND-17-0019, which was submitted to allow for an update to clinic services' rates in North Dakota Medicaid. Our review of this amendment included an assessment of Attachment 4.19B, page one. Based on this review, CMS determined that North Dakota needs to address Section 3, Laboratory Services contained on page one.



Section 1902(a) of the Social Security Act requires that states have a State Plan for medical assistance that meets certain federal requirements. Implementing regulations at 42 CFR §430.10 require that the State Plan be a comprehensive written statement containing "all information necessary for CMS to determine whether the plan can be approved as a basis for Federal Financial Participation (FFP) in the State program". To be comprehensive, payment methodologies should be understandable, clear, and unambiguous.

Through a conversation with the State, CMS understood that the laboratory services fee schedule was set to equal one-hundred percent of the Medicare rates. As currently written, the laboratory services reimbursement language in the State Plan does not align with CMS' understanding of the reimbursement methodology. Because this is not directly impacted by the intent of ND-17-0019, we would like to work with North Dakota separately to better understand the State's reimbursement methodology, and to determine what, if any, changes are necessary to clearly document the State's reimbursement policy.

Please respond within 90 days of receipt with a corrective action plan describing how the State will resolve these issues. During this 90-day period, CMS welcomes the opportunity to work with you and your staff to resolve the issues described in this letter. Should you or your staff have questions regarding this request, please contact Kirstin Michel at (303) 844-7036.

Sincerely,

Richard C. Allen
Associate Regional Administrator
Division for Medicaid & Children's Health Operations

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL		1. TRANSMITTAL NUMBER: 17-0019	2. STATE North Dakota
FOR: CENTERS FOR MEDICARE AND MEDICAID SERVICES		3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR CENTERS FOR MEDICARE AND MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES		4. PROPOSED EFFECTIVE DATE July 1, 2017	
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 440.90		7. FEDERAL BUDGET IMPACT: a. FFY <u>2017</u> <u>\$187,500</u> b. FFY <u>2018</u> <u>\$750,000</u>	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-B, page 1		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Attachment 4.19-B, page 1	
10. SUBJECT OF AMENDMENT: Amends the State Plan regarding payment for clinic services.			
11. GOVERNOR'S REVIEW (Check One): <input 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 checked="" type="checkbox"/> OTHER, AS SPECIFIED: <u>Maggie D. Anderson, Director</u> <u>Medical Services Division</u>			
12. SIGNATURE OF STATE AGENCY OFFICIAL: 		16. RETURN TO: Maggie D. Anderson, Director Medical Services Division ND Department of Human Services 600 East Boulevard Avenue Dept 325 Bismarck ND 58505-0250	
13. TYPED NAME: Maggie D. Anderson			
14. TITLE: Director, Medical Services Division			
15. DATE SUBMITTED: September 20, 2017			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED: September 20, 2017		18. DATE APPROVED: December 7, 2017	
PLAN APPROVED – ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: July 1, 2017		20. SIGNATURE OF REGIONAL OFFICIAL: 	
21. TYPED NAME: Richard C. Allen		22. TITLE: ARA, DMCHO	
23. REMARKS:			

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES – OTHER TYPES OF CARE

The following is a description of the policies that apply to rates and fees established for services other than inpatient hospital care, nursing facility care, and intermediate care facilities.

Out-of-state providers are paid the same rates and fees applicable to providers in North Dakota.

All rates are published on the agency's website at:

<http://www.nd.gov/dhs/services/medicalserv/medicaid/provider-fee-schedules.html>. Except as otherwise noted in the plan, state developed fee schedule rates are the same for both governmental and private providers.

- 1) Outpatient services are paid using a fixed percentage of charges established by the state agency, except for laboratory procedures paid according to item 3 below, dietitian services paid at the lower of the actual charge or maximum allowable charge established by the state agency, ambulatory behavioral healthcare (partial hospitalization) excluding American Society of Addiction Medicine (ASAM) I paid a per diem rate established by the state agency, revenue code 278 paid at the cost of the supply plus twenty percent for billed charges over \$3,000, and in-state prospective payment system hospitals reimbursed based on ambulatory payment classifications. Providers shall follow Medicare coding guidelines for appropriate billing of revenue code 278. The fixed percentage of charges for in-state hospitals designated as Critical Access Hospitals will be established using the hospital's most recent audited Medicare cost report. Cost settlement to reasonable cost for outpatient services at in-state hospitals designated as Critical Access Hospitals for Title XIX services will be based on the Medicare cost report and will occur after the hospital's Medicare cost report has been audited and finalized by the Medicare fiscal intermediary. The fixed percentage of charges for all other in-state hospitals will be established using the hospital's most recent Medicare cost report available as of June 1 of each year. The fixed percentage of charges for out-of-state hospitals shall be 57.4 percent except for laboratory procedures paid according to item 3 below. Out-of-state hospitals shall be paid for revenue code 278 at the cost of the supply plus twenty percent for billed charges over \$3,000. Providers shall follow Medicare coding guidelines for appropriate billing of revenue code 278. North Dakota Medicaid providers will receive a three percent inflationary increase in reimbursement effective for dates of service July 1, 2015 as authorized and appropriated by the 2015 Legislative Assembly.
- 2) Clinic services payment is based on the cost of delivery of the services on a prospective basis as determined by the single state agency from cost data submitted annually by the clinic. Allowable costs will be determined in accordance with the Medicare Provider Reimbursement Manual. Clinic rates are set as of July 1, 2017 and are effective for services provided on or after that date. Providers will be notified of the rates, via letter and/or email correspondence.
 - a) Payment to dental clinics, including mobile dental clinics, is based on the cost of delivery of the service as determined by the single state agency from cost data submitted annually by the clinic. Allowable costs will be determined in accordance with the Medicare Provider Reimbursement Manual. Individual provider rates will be effective October 1, 2017. Providers will be notified of the rates, via letter and/or email correspondence. Except as otherwise noted in the Plan, State developed fee schedule rates are the same for both governmental and private providers.
- 3) For laboratory services, Medicaid will pay the lower of billed charges, Medicare maximum allowable charge, or fee schedule established by the state agency. Medicaid payment for lab services may not exceed the Medicare rate on a per test basis.