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State/Territory Name: North Dakota

State Plan Amendment (SPA) #: 19-0011

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DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
601 East 12th Street, Suite 0300
Kansas City, Missouri 64106-2898



Medicaid and CHIP Operations Group

January 24, 2020

Caprice Knapp, 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 #19-0011

Dear Ms. Knapp:

We have reviewed the State Plan Amendment (SPA) submitted under transmittal number 19-0011. This amendment provides for an approximately two percent rate increase for most Medicaid-covered services effective for dates of services as of July 1, 2019.

Please be informed that this SPA was approved on January 22, 2020, with an effective date of July 1, 2019. Enclosed are the CMS-179 and the amended plan pages.

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

Sincerely,



James G. Scott, Director
Division of Program Operations

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) are paid a per diem fee schedule rate established by the state agency effective for dates of service on or after July 1, 2019, and in-state prospective payment system hospitals reimbursed based on ambulatory payment classifications. 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. North Dakota Medicaid providers will receive a two percent inflationary increase in reimbursement effective for dates of service on or after July 1, 2019 as authorized and appropriated by the 2019 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, 2019 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, 2019. 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 or fee schedule established by the state agency. North Dakota Medicaid providers will receive a two percent inflationary increase in reimbursement effective for dates of service on or after July 1, 2019, as authorized and appropriated by the 2019 Legislative Assembly.
 - a) For laboratory services subject to Section 1903(i)(7) of the Social Security Act, Medicaid will pay the lower of billed charges or the Medicare maximum allowable charge. Medicaid payment for lab services may not exceed the Medicare rate on a per test basis.

TN No.: 19-0011

Supersedes

TN No.: 18-0026

Approval Date: 01/22/2020

Effective Date: 07-01-2019

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES – OTHER TYPES OF CARE
- (continued)

- 4) Effective July 1, 2019, for x-ray services, payment will be the lower of billed charges or reimbursement under Attachment 4.19-B, Methods and Standards for Establishing Payment Rates – Other Types of Care (continued), item 6, 6a and 6b.
- 5) For prosthetic devices, medical equipment, supplies and appliances, Medicaid will pay the lower of billed charges or fee schedule established by the state agency. North Dakota Medicaid providers will receive a two percent inflationary increase in reimbursement effective for dates of service on or after July 1, 2019, as authorized and appropriated by the 2019 Legislative Assembly.
 - a. For DMEPOS items associated with Section 1903(i)(27) of the Social Security Act, amended by Section 5002 of the 21st Century Cures Act, and identified by the Centers for Medicare and Medicaid Services (CMS) as covered by Medicare, Medicaid will pay the lower of the following: (1)The Medicare DMEPOS fee schedule rate for North Dakota geographic, non-rural areas, set as of January 1 of each year which will be reviewed on a quarterly basis and updated as needed; or (2)The provider's billed charges.
- 6) For services, including optometric and chiropractic services, paid from the North Dakota Professional Services Fee Schedule, Medicaid will pay the lower of billed charges or fee schedule established by the state agency. North Dakota Medicaid providers paid from the North Dakota Professional Services Fee Schedule will receive a two percent inflationary increase in reimbursement effective for dates of service on or after July 1, 2019, as authorized and appropriated by the 2019 Legislative Assembly. For rates developed using the resource-based relative value scale methodology, the posted fee schedule accounts for annual cost neutral adjustments to the North Dakota Medicaid conversion factor made to reflect updates to the Medicare RVUs and utilization changes.
 - a. For services, other than those reimbursed using resource-based relative value scale methodology, North Dakota Medicaid providers paid from the North Dakota Professional Services Fee Schedule will receive a two percent inflationary increase in reimbursement effective for dates of service on or after July 1, 2019, as authorized and appropriated by the 2019 Legislative Assembly.
 - b. For services rendered by licensed or registered pharmacists, the lower of billed charges or the fee schedule established by the state agency.
- 7) For dental services and dentures, Medicaid will pay the lower of billed charges or Medicaid fee established by the state agency. North Dakota Medicaid providers will receive a two percent inflationary increase in reimbursement effective for dates of service on or after July 1, 2019, as authorized and appropriated by the 2019 Legislative Assembly.
 - a. Effective for dates of service on or after October 10, 2017, reimbursement for dental sealants and fluoride varnish provided in a school setting by dental hygienists employed by the North Dakota Department of Health (Department) are based on the cost of delivery of services on a prospective basis as determined by the single state Medicaid agency from cost data submitted annually by the Department. The rate components include dental hygienist and administrative salaries, supplies, and overhead. The Department will be notified of the rate via letter and/or email correspondence.
- 8) Effective July 1, 2019, for private duty nursing services, payment will be the lower of billed charges or reimbursement under Attachment 4.19-B, Methods and Standards for Establishing Payment Rates – Other Types of Care (continued), item 6, 6a and 6b.
- 9) Effective July 1, 2019, for physical, occupational and speech therapy, payment will be the lower of billed charges or reimbursement under Attachment 4.19-B, Methods and Standard for Establishing Payment Rates – Other Types of Care (continued), item 6, 6a and 6b.

- 10) Effective July 1, 2019, for services rendered by enrolled providers via telemedicine; payment for the telemedicine connectivity code will be the lower of billed charges or reimbursement under Attachment 4.19-B, Methods and Standard for Establishing Payment Rates – Other Types of Care (continued), item 6, 6a and 6b.
- 11) For eyeglasses, Medicaid will pay the lower of billed charges or the rate established by the state agency competitive bidding process. North Dakota meets the certification requirements of Section 1902(a)(23) of the Social Security Act to permit the selection of one or more providers, through a competitive bidding process, to deliver eyeglasses on a statewide basis under the authority of Section 1915(a)(1)(B) of the Social Security Act and 42 CFR 431.54(d).

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

- 12) Unless otherwise noted, non-emergency medical transportation providers will be paid the lower of billed charges or the Medicaid fee schedule established by the state agency. North Dakota Medicaid providers will receive a two percent inflationary increase in reimbursement effective for dates of service on or after July 1, 2019, as authorized and appropriated by the 2019 Legislative Assembly.
- (a) Transportation by common carrier will be reimbursed at the going rate or fare established for the general public.
- (b) Transportation providers as defined in Attachment 3.1-D, Transportation (transportation providers), when utilized by a third party to provide transportation to a Medicaid recipient, will be paid the lower of billed charges or the Medicaid fee schedule established by the state agency, not to exceed the mileage rate established by the state legislature.
- (c) The payment for meals necessary for recipients and attendants, and individual transportation providers cannot exceed the amount allowed for state employees while traveling in the state of North Dakota.
- (d) Reimbursement for necessary lodging is available to enrolled Medicaid providers who provide lodging services to recipients, attendants, and transportation providers will be limited to the maximum established for lodging as of January 1 of each calendar year by the General Services Administration for the primary destination. The reimbursement rate will be set for dates of service on or after November 1, 2018, based on the January 2018 rate and will subsequently be updated as of January of each calendar year.

Payment for meals and lodging will be made to providers specifically enrolled to provide meals and lodging.

- 13) Ambulance services will be paid at the lower of actual billed charges or the fee schedule established by the state agency. The agency's fee schedule was set as of July 1, 2019 and is effective for services provided on or after that date. North Dakota Medicaid providers will receive a two percent inflationary increase in reimbursement effective for dates of service on or after July 1, 2019, as authorized and appropriated by the 2019 Legislative Assembly.
- 14) Effective July 1, 2019, for family planning services, payment will be the lower of billed charges or reimbursement under Attachment 4.19-B, Methods and Standards for Establishing Payment Rates – Other Types of Care (continued), item 6, 6a and 6b.
- 15) Home Health Agency services include the following services: nursing care, home health aide services, physical therapy, occupational therapy, speech pathology or audiology services, and supplies. Reimbursement will be on a per visit basis and will be at the lowest of the billed charge or maximum allowable charge established by the State. North Dakota Medicaid providers will receive a two percent inflationary increase in reimbursement effective for dates of service on or after July 1, 2019, as authorized and appropriated by the 2019 Legislative Assembly.
- 16) North Dakota reimburses for all Hospice services specified by Medicare in regulation using the Medicaid rates and geographic formula published on an annual basis by CMS. Medicaid Hospice providers that fail to comply with quality data submission requirements during each fiscal year will not have their market basket update reduced by two percentage points.
- 17) Effective July 1, 2019, for Nurse-Midwife Services, payment will be the lower of billed charges or 85% of the reimbursement under Attachment 4.19-B, Methods and Standards for Establishing Payment Rates – Other Types of Care (continued), item 6, 6a and 6b for covered pre-natal, delivery and postpartum services provided by physicians.

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES - OTHER TYPES OF CARE:

- 18. Covered outpatient drugs submitted on a professional claim form will be reimbursed at the lower of the fee schedule established by the state agency or the estimated acquisition cost for the national drug code as outlined on item 32 on pages 6 and 6a of Attachment 4.19-B.
- 19. Effective July 1, 2019, for Nurse Practitioner Services, payment will be the lower of billed charges or 75% of the reimbursement under Attachment 4.19-B, Methods and Standards for Establishing Payment Rates – Other Types of Care (continued), item 6, 6a and 6b.
- 20. Effective July 1, 2019, for Other Practitioner Services, unless otherwise specified, payment will be the lower of billed charges or 75% of the reimbursement under Attachment 4.19-B, Methods and Standards for Establishing Payment Rates – Other Types of Care (continued), item 6, 6a and 6b.
- 21. Effective July 1, 2019, Registered Nurses who are either employed by or under contract through a school for nursing services provided to Medicaid eligible children (under age 21) who have an approved Individualized Education Program that documents medical necessity for nursing services that support the child’s need to access free appropriate public education, payment will be the lower of billed charges or reimbursement under Attachment 4.19-B, Methods and Standards for Establishing Payment Rates – Other Types of Care (continued), item 6, 6a, and 6b.
- 22. Vacated
- 23. Personal Care Services

- a. Authorized personal care services provided to an individual who receives personal care services from a provider on less than a 24-hour-a-day-seven-day-a-week basis shall be paid based on a maximum 15-minute unit rate established by the department. Rates will be established for individual and agency providers.

North Dakota Medicaid providers will receive a two percent inflationary increase in reimbursement effective for dates of service on or after July 1, 2019, as authorized and appropriated by the 2019 Legislative Assembly. Providers who travel at least twenty-one miles round-trip to provide personal care services to individuals in rural areas, will receive a rate adjustment effective for dates of service January 1, 2015.

- b. Authorized personal care service provided to an individual by a provider who provides personal care services on a 24-hour-a-day-seven-day-a-week basis shall be paid using a prospective per diem rate for each day personal care services are provided.
 - 1) The maximum per diem rate for an individual or agency provider shall be established using the provider’s allowable hourly rate established under paragraph a. multiplied times the number of hours per month authorized in the individual’s care plan times twelve and divided by 365. The provider may bill only for days in which at least 15 minutes of personal care service are provided to the individual. The maximum per diem rate for an individual or agency may not exceed the maximum per diem rate for a residential provider as established in subparagraph 2.

2) The per diem rate for a residential provider is established based on the residential provider's reported allowable costs for direct and indirect personal care services divided by the number of days personal care services were provided during the report period. The per diem rate is applicable to all eligible individuals authorized to receive personal care services from the residential provider and does not vary based on the amount of services authorized for each individual. The per diem rate is payable only for days in which at least 15 minutes of personal care services is provided to the individual in the residential facility. For an individual who does not receive at least 15 minutes of personal cares per day, the rate payable to a residential provider for personal care services shall not exceed the maximum allowable hourly rate for an agency as established in paragraph a.

The per diem rate shall be established annually for each residential provider based on a cost report that identifies actual costs incurred for the provision of personal care services during the provider's fiscal year. The established per diem rate may not exceed the maximum per diem rate. North Dakota Medicaid providers will receive a two percent inflationary increase in reimbursement effective for dates of service on or after July 1, 2019, as authorized and appropriated by the 2019 Legislative Assembly.

Allowable costs included in the personal care per diem rate are:

1. Salaries, fringe benefits and training expenses for direct supervisors and staff who provide assistance with:
 - a. Activities of daily living including eating, bathing, dressing, mobility, toileting, transferring and maintaining continence; and
 - b. Instrumental activities of daily living that include personal hygiene, light housework, laundry, meal preparation, transportation, grocery shopping, using the telephone, medication management and money management.
2. Administration and overhead expenses that include salaries and fringe benefits of an administrator, assistant administrator or top management personnel, liability insurance, central and home office costs excluding property costs, telephone, personnel recruitment costs, computer software costs, business office expenses, and working capital interest.

24. Vacated

25. Organ Transplants - Payments for physician services are based on Attachment 4.19-B No. 6 as described in this attachment. Payment for hospital services are based on Attachment 4.19-A.

26. For diagnostic, screening and preventive services, Medicaid will pay the lower of actual billed charges or the maximum allowable fee established by the state agency. North Dakota Medicaid providers will receive a two percent inflationary increase in reimbursement effective for dates of service on or after July 1, 2019, as authorized and appropriated by the 2019 Legislative Assembly.
27. Emergency hospital services provided by hospitals not otherwise participating in the Medicaid program are paid at the fixed percentage of charges for out-of-state hospitals as established in paragraph 1.
28. For Targeted Case Management Services, payment will be based on the lower of the providers actual billed charge or the fee schedule established in 15 minute units of service by the state. North Dakota Medicaid providers will receive a two percent inflationary increase in reimbursement effective for dates of service on or after July 1, 2019, as authorized and appropriated by the 2019 Legislative Assembly.
29. For rehabilitative services, each qualified Medicaid service practitioner will be reimbursed a rate from the Medicaid fee schedule for defined units of service.

For services provided by non-governmental providers, payment will be the lower of the provider's actual billed charges or the fee schedule established by the state agency. North Dakota Medicaid providers will receive a two percent inflationary increase in reimbursement effective for dates of service on or after July 1, 2019, as authorized and appropriated by the 2019 Legislative Assembly.

For the governmental providers, payment is established based on the cost of delivering the services on a prospective basis as determined by the single state agency from cost data submitted annually. Allowable costs will be determined in accordance with the Medicare Provider Reimbursement Manual. Governmental provider rates are set as of July 1, 2019 and are effective for services provided on or after that date. Providers will be notified of the rates via letter or email correspondence.

30. For non-ASAM services rendered by licensed addiction counselors within their scope of practice, each qualified Medicaid service practitioner will be reimbursed a rate from the Medicaid fee schedule for defined units of service.

Effective November 1, 2018, for services provided by non-governmental providers, payment will be the lower of the provider's actual billed charges or reimbursement under Attachment 4.19-B, Methods and Standards for Establishing Payment Rates – Other Types of Care (continued), Item 6, 6a and 6b.

For the governmental providers, payment is established based on the cost of delivering the services on a prospective basis as determined by the single state agency from cost data submitted annually. Allowable costs will be determined in accordance with the Medicare Provider Reimbursement Manual. Governmental provider rates are set as of July 1, 2019 and are effective for services provided on or after that date. Providers will be notified of the rates via letter or email correspondence.

The APM rate is a fixed rate and is not subject to adjustment or reconciliation except as provided for below. The APM rate shall equal or exceed the PPS rate that was established for the center.

The RHC's APM rate shall be established according to a two-step process, as follows:

1. Establishment of APM Rate:

(a) The APM rate shall be equal to an amount (calculated on a per visit basis) that is:

- i. For provider-based RHCs, an APM rate shall be established based on 100% of the RHC's billed charges, exclusive of lab charges, for the RHC's fiscal year 2000 plus the fee schedule amount for laboratory services divided by the number of visits.
- ii. For freestanding RHCs the rate will be \$61.85.

(b) The calculation of the APM rate and any subsequent adjustments to that rate shall be on the basis of the reasonable costs of the RHC as provided for under 42 C.F.R. part 413 without the application of provider screens and caps or limitations on costs or cost categories.

(c) The APM rate shall be increased by two percent effective July 1, 2019.

2. One-Time Adjustment:

Each RHC that is an enrolled provider on June 30, 2012 shall have one opportunity to rebase its APM rate. The APM rate shall be adjusted to the Medicare cost per visit, excluding provider screens and caps, from its fiscal year 2012 Medicare cost report. The cost per visit shall exclude laboratory costs and shall be increased by one percentage point for each three month period from the cost report end date to July 1, 2013.

3. Upon the RHC's application, the APM rate shall be adjusted to reflect any increase or decrease in the scope of services furnished by the RHC.

TN No. 19-0011
Supersedes
TN No. 15-0013

Approval Date 1/22/2020 Effective Date 07-01-2019

33. *EPSDT Services*

For medically necessary services not otherwise identified in the State Plan* but available to EPSDT participants, reimbursement shall be the lower of submitted charges or the fee schedule as determined by the State Agency.

As authorized by the 2019 Legislative Assembly, North Dakota Medicaid providers will receive a two percent inflationary increase in reimbursement as of July 1, 2019 and is effective for services provided on or after that date. The agency's fee schedule rate for services covered under this section of the plan will be set as of July 1, 2019 and are effective for services provided on or after that date.

*Services not identified under 1905(a) of the Social Security Act are not reimbursed under this authority.

34. For Targeted Case Management Services for individuals with a serious mental illness or serious emotional disturbance, payment will be based on the lower of the provider's actual billed charge or the fee schedule established in 15-minute increments.
- a. Payment to state government providers will be 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 state government providers. Allowable costs will be determined in accordance with the Medicare Provider Reimbursement Manual. State government provider rates are set as of July 1, 2019 and are effective for services provided on or after that date. Providers will be notified of the rates, via letter and/or email correspondence.
- b. As authorized by the 2019 Legislative Assembly, North Dakota Medicaid providers will receive a two percent inflationary increase in reimbursement as of July 1, 2019 and is effective for services provided on or after that date. The agency's fee schedule for non-state government providers will be set as of July 1, 2019 and is effective for services on or after that date.
35. For Targeted Case Management Services for individuals served in the child welfare system, payment will be based on the lower of the provider's actual billed charge or the fee schedule established in 15-minute increments. As authorized by the 2019 Legislative Assembly, North Dakota Medicaid providers will receive a two percent inflationary increase in reimbursement as of July 1, 2019 and is effective for services provided on or after that date. The agency's fee schedule rate will be set as of July 1, 2019 and is effective for services on or after that date.
36. For Targeted Case Management Services for Individuals needing Long Term Care services, payment will be based on the lower of the provider's actual billed charge or the fee schedule established in monthly increments. As authorized by the 2019 Legislative Assembly, North Dakota Medicaid providers will receive a two percent inflationary increase in reimbursement as of July 1, 2019 and is effective for services provided on or after that date. The agency's fee schedule rate will be set as of July 1, 2019 and is effective for services provided on or after that date.
37. For Targeted Case Management Services for Pregnant women and infants, payment will be based on the lower of the provider's actual billed charge or the fee schedule established per the procedure code definition. As authorized by the 2019 Legislative Assembly, North Dakota Medicaid providers will receive a two percent inflationary increase in reimbursement as of July 1, 2019 and is effective for services provided on or after that date. The agency's fee schedule rate will be set as of July 1, 2019 and is effective for services provided on or after that date.