

10-010.03D5 Payment for Psychiatric Adult Inpatient Subacute Hospital Services: Payments for psychiatric adult inpatient subacute hospital services are made on a per diem basis. This rate may be reviewed annually. Effective April 12, 2008, the payment for psychiatric adult subacute inpatient hospital services identified in state regulations was \$488.13. Beginning July 1, 2008, the per diem rate was \$505.21 and on November 24, 2009 onward the rate is \$512.79. On July 1, 2010, there will be a .5% rate increase. On July 1, 2011, there will be a 2.5% rate decrease. The subacute inpatient hospital per diem rate is not a tiered rate. Payment will be an all inclusive per diem, with the exception of physician services.

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TN# NE 11-26  
Supersedes  
TN # NE 08-02

Approved FEB - 6 2012 Effective JUL - 1 2011

## OS Notification

**State/Title/Plan Number:** NE 11-026  
**Type of Action:** SPA Approval  
**Required Date for State Notification:** 03/13/2012  
**Fiscal Impact:** FY 2011 \$(135,522)  
FY 2012 \$(525,389)

**Number of Services Provided by Enhanced Coverage, Benefits or Retained Enrollment: 0**

**Number of Potential Newly Eligible People: 0**

**Eligibility Simplification: No**

**Provider Payment Increase: No**

**Delivery System Innovation: No**

**Number of People Losing Medicaid Eligibility: 0**

**Reduces Benefits: No**

### **Detail:**

Effective July 1, 2011, this SPA reduces psychiatric adult inpatient subacute hospital service payment rates by 2.5%. The subacute inpatient hospital psychiatric service allows for additional days of stay, depending upon acuity and medical need, for clients to further work on stabilization at the hospital level in the hope of preventing frequent readmissions into the hospital facility for acute psychiatric care.

Regarding access to care, the Nebraska Medicaid agency communicated with providers and other stakeholders prior to July 1st. Medicaid actively engaged a variety of providers, provider organizations and client representatives to communicate Medicaid's fiscal limitations and legislative mandate to reduce expenditures. The proposed rate reduction was discussed at the Medical Assistance Advisory Committee on February 9, 2011, March 9, 2011, April 13, 2011 and on May 11, 2011. In attendance at the advisory meetings among others, were representatives from provider associations, providers, advocacy groups and Medicaid clients. The communication efforts conducted by Medicaid allowed Medicaid to monitor and measure provider reactions and concerns with regard to rate reductions. In general, while they expressed disappointment about reductions, the providers understand the current state budgetary circumstances and remain committed to serving the Medicaid population.

In the last several years prior to the recession, Medicaid was able to increase rates for many of the most utilized services. The rate reductions implemented this fiscal

year bring rates to levels that have, in the past, been adequate in maintaining provider enrollment and client access. Providers have not expressed the need to eliminate this level of care or reduce the numbers admitted to inpatient psychiatric hospital services. Nebraska has five providers enrolled as subacute inpatient hospital psychiatric service providers and each provider continues to provide this service. There is only one other provider payer in Nebraska that covers this service. Nebraska coordinated with this payer and found that this payer instituted a similar reduction in rates and that their rates are comparable to the Medicaid rates in Nebraska.

Medicaid reviewed utilization data from the MMIS system to establish a baseline and continues to monitor utilization to insure there has not been a drop in access. Medicaid shared the rate reduction information at the Medical Assistance Advisory Committee. Providers did not indicate that this reduction would affect client access. The Division of Behavior Health in the Nebraska Department of Health and Human Services funds inpatient psychiatric hospital services for low income Nebraskan's who are not Medicaid eligible. The Division of Behavior Health had a similar reduction of rates without experiencing an access problem.

The State utilizes data from the Medicaid Management Information System (MMIS), the Eligibility System, and claims payment system to analyze access. In addition to provider participation, the State also looks at changes in Medicaid enrollment, service utilization, and client calls regarding access or claims payment issues. That State has identified three measures that are known to influence health care access, and that would provide useful data on access to determine if there is an issue: i) percent change in Medicaid enrollment (measured quarterly), ii) provider Geo-Access reports, (quarterly reports that track the availability of providers and their proximity to beneficiaries), and iii) service utilization reports (monthly).

To date, Medicaid has not seen a decrease in providers willing to care for Medicaid clients or an increase in client complaints regarding access to psychiatric care. Medicaid will continue to monitor their access measures and ensure that accessibility does not decrease.

**Other Considerations:** Prior to submitting this SPA, the Nebraska Division of Medicaid Long-Term Care sought consultation from federally recognized Native American Tribes with the State to discuss the impact that the proposed SPA might have, if any, on the Tribes. No comments were received.

We do not recommend the Secretary contact the governor.

**CMS Contact:**

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