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State/Territory Name: New Hampshire

State Plan Amendment (SPA) #: 20-0018

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

Center for Medicaid & CHIP Services

233 North Michigan Ave., Suite 600

Chicago, Illinois 60601



Financial Management Group

April 17, 2020

Lori Shibinette, Commissioner
Department of Health and Human Services
State of New Hampshire
129 Pleasant Street
Concord, NH 03301

RE: TN 20-0018

Dear Commissioner Shibinette:

We have reviewed the proposed New Hampshire (NH) State Plan Amendment (SPA) to Attachment 4.19-B, which was submitted to the Centers for Medicare & Medicaid Services (CMS) on March 20, 2020. This plan amendment updates the allowance for a 3.1% increase to Federally Qualified Health Center (FHQC) and Rural Health Clinic (RHC) rates.

Based upon the information provided by the State, we have approved the amendment with an effective date of January 01, 2020. We are enclosing the approved CMS-179 and a copy of the new state plan pages.

Please note that our approval relates only to the requested change in payment methodology and CMS may still have questions on the funding structure in determining its consistent with section 1902(a)(2) and 1903(a) of the Act as implemented by 42 CFR § 433.54. Therefore, our approval relates only to the requested change in payment methodology and that the resultant rates and related expenditures are consistent with section 1902(a)(30)(A) of the Act. Approval of the subject SPA does not relieve the State of its responsibility to comply with federal laws and regulations, and to ensure that claims for federal funding are consistent with all applicable requirements.

If you have any additional questions or need further assistance, please contact James Moreth at 206-615-2043 or James.Moreth@cms.hhs.gov.

Sincerely,

A solid black rectangular box redacting the signature of Todd McMillion.

Todd McMillion
Director
Division of Reimbursement Review

Enclosures

cc: Henry Lipman, State Medicaid Director
Diane Peterson, Medicaid Business and Policy

PAYMENT RATES FOR ALL TYPES OF CARE OTHER THAN INPATIENT
HOSPITAL, SKILLED NURSING, OR INTERMEDIATE NURSING CARE SERVICES

**Addendum to 21 and 23 above, RHC's, FQHC's and FQHC-LAL's (continued):

Description of Alternative Payment Methodology – RHC's, FQHC's and FQHC-LAL's (21 and 23 above)

21a and 23. Rural Health Clinics - Non-Hospital Based (RHC-NHB), Federally Qualified Health Centers (FQHC's) and FQHC Look-A-Likes (LAL's)

a) General

Payment for RHC-NHB's, FQHC's, and FQHC-LAL's conforms to Section 702 of the Benefits Improvement and Protection Act (BIPA) of 2000. The NH Department of Health and Human Services (the Department) determines an encounter rate for primary, preventive care services using an Alternative Payment Methodology (APM) under SSA 1902(bb)(6). The encounter rate is an all-inclusive rate of payment for primary, preventive care covered services defined in 1905(a)(2)(B) and (C) of the Social Security Act and included in the NH Title XIX State Plan to eligible Medicaid recipients.

The Alternative Payment Methodology (APM) is calculated using the providers' fiscal year 2011 cost-settled rates as the baseline for all subsequent years' encounter rates trending forward using the Medicare Economic Index (MEI) published annually for each of those years. The cost settlement process applied to the 2011 baseline limited each provider to the lesser of their actual costs or 133% of the Medicare rate.

The Department also calculates an encounter rate using a Prospective Payment Methodology (PPS) and the formula established by BIPA 2000, using the average cost based rate per visit for provider fiscal years of 1999 and 2000, trended forward by the MEI.

The baseline rates for RHC-NHB's, FQHC's, and FQHC-LAL's that did not have any reported costs in either the APM or PPS baseline will be set as an average of the rates for similar clinics or centers in the same urban or rural settings. The effective date for such rates is the effective Medicaid enrollment date for the provider.

Effective October 8, 2012, each provider will receive an encounter rate that is the greater of the APM or PPS. Only those providers that agree in writing to the proposed APM will receive the proposed APM. Thereafter, annually on July 1, each provider's encounter rate will be trended forward by the MEI and adjusted for any approved change in scope of services (see below). Effective January 1, 2020, the encounter rate will be increased 3.1%.

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TN No: 12-009

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PAYMENT RATES FOR ALL TYPES OF CARE OTHER THAN INPATIENT
HOSPITAL, SKILLED NURSING, OR INTERMEDIATE NURSING CARE SERVICES

**Addendum to 21 and 23 above RHC's, FQHC's and FQHC-LAL's (continued):

Description of Alternative Payment Methodology – RHC's, FQHC's and FQHC-LAL's (21 and 23 above)

21b. Rural Health Clinics (RHC's) – Hospital Based

Hospital-based RHC's are reimbursed a percent of costs. Each hospital, after the close of its own unique fiscal period, submits the Medicare Cost Report (CMS Form 2552) as required by Medicare, which is subsequently audited by the Medicare Fiscal Intermediary according to the Medicare auditing schedule and principles of reimbursement. Allowable costs are allocated to the hospital-based RHC services rendered to NH Medicaid recipients on Worksheet M-3. Effective for services on and after January 1, 2020, the current reimbursable amount of the costs is 94.10%. The reimbursable costs based on the audit are then compared to interim payments that were made during the unique cost period for that hospital, and the difference is the settlement that is payable to the hospital-based RHC or to the Department. Based on the settlement, the interim rate is also established for the hospital's next cost period by taking a Ratio of Cost to Charges (RCC) derived from the last settlement processed. This is an ongoing process that occurs as hospitals submit cost reports when their unique fiscal years end.

Laboratory services provided as part of a hospital based RHC encounter are reimbursed through an add-on fee which is paid in addition to the percentage of cost payment for the encounter. The add-on fee is the same laboratory fee-for-service fee schedule used for all laboratory services reimbursement effective as noted in the NH Title XIX State Plan, Attachment 4.19-B, page 1-1, and is the same fee schedule used for both governmental and private providers. The fee schedule can be found at www.nhmmis.nh.gov (see "documents and forms" under the documentation tab).

Vaccine administration is paid as part of the encounter. However, if vaccine is not administered as part of or incidental to an encounter, the vaccine administration can be billed separately and will be reimbursed at the interim rate and cost settled as per above. The actual vaccine is reimbursed for adults age 19 and older regardless of whether the administration of such vaccine is part of the encounter or billed separately and is billed with a pharmacy revenue code and paid an interim rate which is subsequently cost settled as per above.

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