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 & CHIP SERVICES

JUL 19 2013

Ms. Renee Joseph-Rhymer
Medicaid Director
Department of Human Services
1303 Hospital Ground
Knud Hansen Complex, Building A
St. Thomas, USVI 00802

RE: TN 12-001

Dear Ms. Joseph-Rhymer:

We have reviewed the proposed amendment to attachment 4.19-A and 4.19-B of your Medicaid State Plan submitted under transmittal number (TN 12-001). Effective September 17, 2012, this amendment denies additional Medicaid payments for cost incurred for potentially preventable conditions in the inpatient hospital setting and in non-institutional settings.

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 regulations at 42 CFR 447 Subpart C. This is to inform you that US Virgin Islands 12-001 is approved effective September 17, 2012. Enclosed please find the HCFA-179 and the approved plan pages.

If you have any questions, please contact Tom Brady at (518) 396-3810 or Rob Weaver at (410) 786-5914.

Sincerely,

Cindy Mann
Director

Enclosures

DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICES

FORM APPROVED
OMB No. 0938-0193

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL

FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES

1. TRANSMITTAL NUMBER: **12-001**

2. STATE: **United States Virgin Islands**

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR
CENTERS FOR MEDICARE & MEDICAID SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE
September 17, 2012

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

42 CFR Part 447, subpart C and Sections 1902(a)(4), 1902 (a)(6) and 1923 of the Social Security Act

7. FEDERAL BUDGET IMPACT
a. FFY **2012** $ **0**
b. FFY **2013** $ **0**

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT
Attachment 4.19-A, page 2 and 2a
Attachment 4.19-B, page 4 and 4a

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (*if Applicable*)
NEW

10. SUBJECT OF AMENDMENT

Non-payment to hospital for health care-acquired conditions and other provider preventable conditions.

11. GOVERNOR'S REVIEW (Check One)
☒ GOVERNOR'S OFFICE REPORTED NO COMMENT
☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
☐ NO REPLY RECEIVED 45 DAYS OF SUBMITTAL
☐ OTHER, AS SPECIFIED

12. SIGNATURE OF STATE AGENCY OFFICIAL

13. TYPED NAME
Renée Joseph-Rhymer

14. TITLE
Director, Medicaid Program
USVI Department of Human Services

15. DATE SUBMITTED
DECEMBER 31, 2012

16. RETURN TO

Ms. Renée Joseph-Rhymer, MSW
Director, Bureau of Health Insurance and Medical Assistance,
USVI Department of Human Services
1303 Hospital Ground, Building A
St. Thomas, USVI 00802

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED

18. DATE APPROVED
JUL 19 2013

PLAN APPROVED – ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL
SEP 17 2012

20. SIGNATURE OF REGIONAL OFFICIAL

21. TYPED NAME
Penny Thompson

22. TITLE
Deputy Director, Policy Financial Mgt, CMCS

23. REMARKS

FORM CMS-179 (07/92)

Instructions on Back

Non-Payment for Inpatient Hospital: Health Care-Acquired and Other Provider Preventable Conditions

Citation
42 CFR 447, 434, 438, 1902(a)(4) and 1902(a)(6), and 1903

Payment Adjustment for Preventable Conditions

The Medicaid agency meets the requirements of 42 CFR part 447, Subpart A, and sections 1902(a)(4), 1902 (a)(6), and 1903 with respect to non-payment for provider preventable conditions

Non-Payment to Hospitals for Health Care-Acquired Conditions and Other Provider Preventable Conditions

The State identified the following Health-Care Acquired Conditions (HCACs) and Other Provider Preventable Conditions (OPPCs) for non-payment under Section 4.19(A):

___x_ Hospital Acquired Conditions as identified by Medicare other than Deep Vein Thrombosis (DVT) Pulmonary Embolism (PE) following total knee replacement or hip replacement surgery in pediatric and obstetric patients

___x_ Wrong surgical or other invasive procedure performed on a patient; Surgical or other invasive procedure performed on the wrong body part; Surgical or other invasive procedure performed on the wrong patient

Reporting and Enforcement

The State has notified all hospitals that they are required to self-report any instances of HCACs and OPPCs as described above. Failure to report any such instance could result in the termination of a provider agreement with the Medicaid program.

Upon receipt of a report by providers of an HCAC or OPPC, the Medicaid agency will take immediate action to deny any outstanding claims, or if previously paid, to recoup the amount from future billings.

Non-Payment for Inpatient Hospital: Health Care-Acquired and Other Provider Preventable Conditions

Terms and Conditions

1. No medical assistance will be paid for "provider preventable conditions" as defined above. This limitation applies to Medicaid recipients and recipients who are "dual eligible", i.e. eligible for both Medicaid and Medicare.
2. No reduction in payment for a provider preventable condition will be imposed on a provider when the condition defined as a PPC for a particular patient existed prior to the initiation of treatment for that patient by that provider.
3. Reductions in provider payment will be limited to the extent that the following apply:
    (i) The identified provider-preventable conditions would otherwise result in an increased payment.
    (ii) Based on a manual review of medical records, the Territory will identify for nonpayment the portion of the payment directly related to treatment for, and related to, the provider-preventable conditions.
4. In the event that individual cases are identified throughout the PPC implementation period, the territory shall adjust reimbursements according to the methodology above.
5. FFP will not be available for any territory expenditure for provider-preventable conditions.
6. The Territory attests that it will have measures in place to ensure that non-payment for provider-preventable conditions will not prevent access to services for Medicaid beneficiaries.

Citation

42 CFR 447, 434, 438, and 1902(a)(4), 1902(a)(6), and 1903

Payment Adjustment for Provider Preventable Conditions

The Medicaid agency meets the requirements of 42 CFR Part 447, Subpart A, and sections 1902(a)(4),1902(a)(6), and 1903 with respect to non-payment for provider-preventable conditions.

Other Provider-Preventable Conditions

The State identifies the following Other Provider-Preventable Conditions (PPC) for non-payment under Section 4.19 (B) of this State plan.

__x__ Wrong surgical or other invasive procedure performed on a patient; surgical or other invasive procedure performed on the wrong body part; surgical or other invasive procedure performed on the wrong patient.

____ Additional Other Provider-Preventable Conditions identified below:

Reporting and Enforcement

The territory has notified physicians and community providers that they are required to self-report any instances of PPCs as described above. Failure to report any such instances could result in the termination of a provider agreement with the Medicaid program.

Upon receipt of a report by providers of a PPC, the Medicaid agency will take immediate action to deny any outstanding claims, or if previously paid, to recoup the amount identified in the Terms and conditions (ii. above) from future billings.

Terms and Conditions

1. No medical assistance will be paid for "provider preventable conditions" as defined above. This limitation applies to Medicaid recipients and recipients who are "dual eligible", i.e. eligible for both Medicaid and Medicare.

2. Reductions in provider payment will be limited to the extent that the following apply:

I. The identified provider-preventable conditions (PPCs) would otherwise result in an increased payment

II. Based on a manual review of medical records for reported PPCs, the Territory will identify and reduce payment for that portion of the provider claim or claims that are attributable to the PPC.

3. In the event that individual cases are identified throughout the PPC implementation period, the territory shall adjust reimbursements according to the methodology above.

4. No reduction in payment for a PPC will be imposed on a provider when the condition defined as a PPC for a particular patient existed prior to the initiation of treatment.

5. No medical assistance will be paid for PPCs and the Territory understands that FFP will not be available for any territory expenditures for PPCs.

6. The Territory attests that it will have measures in place to ensure that non-payment for PPCs will not prevent access to services for Medicaid beneficiaries.

PRA Disclosure Statement

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0938-1136. The time required to complete this information collection is estimated to average 7 hours per response, including the time to complete and review the information collection. If you have comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: CMS, 7500 Security Boulevard, Attn: PRA Reports Clearance Officer, Mail Stop C4-26-05, Baltimore, Maryland 21244-1850.