



Center for Medicaid and CHIP Services

CMCS Informational Bulletin

DATE: May 9, 2012

FROM: Cindy Mann, Director
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SUBJECT: Medicaid Financial Management Regulations Update

This informational bulletin provides information on two topics:

- Display of Notice of Proposed Rulemaking: Increased Medicaid Payment for Primary Care (CMS 2370-P)
- Upcoming effective date of the Provider Preventable Conditions rule

Display of Notice of Proposed Rulemaking: Increased Medicaid Payment for Primary Care (CMS 2370-P)

Today the Centers for Medicare & Medicaid Services (CMS) put on display at the Federal Register a proposed rule to implement section 1202 of the Affordable Care Act, which provides increased payments for certain Medicaid primary care services. Under this provision, certain physicians that provide eligible primary care services would be paid the Medicare rates in effect in calendar years (CY) 2013 and 2014 (or if greater, the Medicare rate in effect in 2009) instead of their usual state-established Medicaid rates, which may be lower than federally established Medicare rates. Increased payment applies to primary care services delivered by a physician with a specialty designation of family medicine, general internal medicine, or pediatric medicine or related subspecialists. States will receive 100 percent Federal financial participation (FFP) for the difference between the Medicaid State plan payment amount as of July 1, 2009 and the applicable Medicare rate. The increase applies to a specific set of services and procedures that CMS designates as “primary care services”.

This notice of proposed rulemaking is open for public comment for 30 days after publication in the Federal Register. Please refer to the Federal Register for specific instructions about submitting comments.

The rule is available at: www.ofr.gov/inspection.aspx.

Additional information is available at: http://www.cms.gov/apps/media/fact_sheets.asp

Upcoming Effective Date of Provider Preventable Conditions Rule

On June 6, 2011, CMS published a final rule implementing Provider Preventable Conditions (PPCs) as authorized by section 2702 of the Affordable Care Act. The provisions of this rule prohibit federal payments to States under section 1903 of the Social Security Act for any amounts expended for providing medical assistance for health care-acquired conditions. The final rule incentivizes quality improvement at the provider-level and cost savings for States by requiring States to reduce payments at the occurrence of hospital errors and Never Events in specific health care settings. The final rule became effective July 1, 2011, and CMS provided States with an additional year to meet these new requirements in order to allow States time for the discussion of policy, implementation of required hospital changes, and development of the appropriate systems for reporting.

The final implementation date of July 1, 2012 is rapidly approaching, so we want to highlight technical assistance resources widely available in order to assist states in meeting the requirements of the final rule.

CMCS has created a Provider Preventable Conditions website through Medicaid.gov. This website contains basic information about the final rule requirements, SPA pre-prints and instructions, as well as a Frequently Asked Questions page which includes program-specific questions that will help States craft their PPC policies and meet the State plan requirements. For those states which have not yet submitted the required SPA, CMS staff remains available for direct technical assistance.

The PPC website is available at <http://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Financing-and-Reimbursement/Provider-Preventable-Conditions.html>

You may also direct questions on this topic to Andrew Badaracco at (410) 786-4589 or by e-mail at Andrew.Badaracco@cms.hhs.gov