

## **Table of Contents**

**State/Territory Name: Nebraska**

**State Plan Amendment (SPA) #: 20-0008**

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



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**Financial Management Group**

October 21, 2020

Jeremy Brunssen, Interim Medicaid Director  
Division of Medicaid & Long-Term Care  
Nebraska Department of Health & Human Services  
301 Centennial Mall South  
Lincoln, NE 68509

RE: TN 20-0008

Dear Mr. Brunssen:

We have reviewed the proposed Nebraska State Plan Amendment (SPA) to Attachment 4.19-B, NE-20-0008, which was submitted to the Centers for Medicare & Medicaid Services (CMS) on August 3, 2020. This plan amendment established an Alternate Plan Methodology (APM) for dental services provided by Federally Qualified Health Centers (FQHCs).

Based upon the information provided by the State, we have approved the amendment with an effective date of July 1, 2020. We are enclosing the approved CMS-179 (HCFA-179) and a copy of the new state plan pages.

If you have any additional questions or need further assistance, please contact Blake Holt at (415) 744-3754 or [blake.holt@cms.hhs.gov](mailto:blake.holt@cms.hhs.gov).

Sincerely,

A solid black rectangular box used to redact the signature of Todd McMillion.

Todd McMillion  
Director  
Division of Reimbursement Review

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b>  <b>FOR: HEALTH CARE FINANCING ADMINISTRATION</b>	1. TRANSMITTAL NUMBER: NE 20-0008	2. STATE Nebraska
	3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES	4. PROPOSED EFFECTIVE DATE July 1, 2020	

5. TYPE OF PLAN MATERIAL (Check One):

NEW STATE PLAN       AMENDMENT TO BE CONSIDERED AS NEW PLAN       AMENDMENT

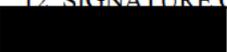
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION: SSA 1902(bb)	7. FEDERAL BUDGET IMPACT: a. FFY 2020      \$656,427 b. FFY 2021      \$2,625,710
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Att. 4.19-B, Item 2c, Page 1b (new)	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable):

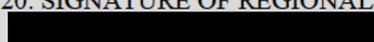
10. SUBJECT OF AMENDMENT:  
Federally Qualified Health Center (FQHC) Dental Alternative Payment Methodology (APM) Reimbursement

11. GOVERNOR'S REVIEW (Check One):

GOVERNOR'S OFFICE REPORTED NO COMMENT       OTHER, AS SPECIFIED:  
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED      Governor has waived review  
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL: 	16. RETURN TO: Dawn Kastens Division of Medicaid & Long-Term Care Nebraska Department of Health & Human Services 301 Centennial Mall South Lincoln, NE 68509
13. TYPED NAME: Jeremy Brunssen	
14. TITLE: Interim Director, Division of Medicaid and Long-Term Care	
15. DATE SUBMITTED: August 3, 2020	

<b>FOR REGIONAL OFFICE USE ONLY</b>	
17. DATE RECEIVED:	18. DATE APPROVED: 10/21/2020

PLAN APPROVED – ONE COPY ATTACHED	
19. EFFECTIVE DATE OF APPROVED MATERIAL: 7/1/2020	20. SIGNATURE OF REGIONAL OFFICIAL: 
21. TYPED NAME: Todd McMillion	22. TITLE: Director, Division of Reimbursement Review

23. REMARKS:  
09/02/2020: State provides concurrence for the following pen and ink changes: Box 7: FFY 20 from "\$656,427" to "\$376,968"; FFY 21 from "\$2,625,710" to "\$1,532,213." This is a whole dollar impact; Box 8: From "Att. 4.19-B, Item 2c, Page 1b (new)" to ""Att. 4.19-B, Item 2c, Page 1b and 1c"

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT  
State Nebraska  
METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES

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c) DENTAL ALTERNATIVE PAYMENT METHODOLOGY (APM)

Effective July 1, 2020, the Dental Alternative Payment Methodology (APM) base rate will be computed as follows:

1. Determine dental-related expenditures and visits for the FQHCs using the 2016 and 2017 Uniform Data System (UDS) submissions for each Nebraska FQHC that will operate under the APM reimbursement methodology for FQHC Dental visits.
2. Determine the base costs which reflect direct dental expenditures and the allowable portion of overhead costs. An allocation of overhead costs to dental expenditures was provided within the submitted UDS data. These allocated costs were included as part of the APM development, with a cap such that no more than a 20% increase to the direct dental expenditures (a maximum of 1.2 x direct dental expenditures) is allocated to either the 2016 or 2017 expenditures underlying the base cost per visit.
  - a. Dental costs have been based on 2016 and 2017 UDS data, "T8a\_L5\_Ca". This is table 8A, row L5.
3. Determine the number of visits. The visits used in the calculation of the cost per visit for each base year are based on the same 2016 and 2017 UDS data for each Nebraska FQHC.
4. Trend the CY2016 data for one year at the 1.8% market basket for 2017, and then at an average annual market basket rate of 1.9% for two years to 2019, and for one year at the CY2020 market basket rate of 2.2% to 2020.
5. Trend the CY2017 data at an average annual market basket rate of 1.9% for two years to 2019 and at the market basket rate of 2.2% to 2020.
6. Calculate a blended average cost per visit by combining the two years of base data for each FQHC. The weight used for 2016 and 2017 is 25% and 75%, respectively.
7. Compare the 2020 APM rate calculated in Steps 1 through 6 to the CY2020 PPS rate. The dental APM payment will be equal to the greater of the calculated dental APM or the PPS rate.

The APM rate must be agreed to by the center or clinic and result in payment of an amount which is at least equal to the PPS payment rate. The APM base rate will be updated annually based on the Medicare Economic Index (MEI).

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TN #. NE 20-0008

Supersedes

Approval Date 10/21/20 Effective Date July 1, 2020

TN #. New

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT  
State Nebraska  
METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES

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CHANGE IN SCOPE OF SERVICES

A change in scope of services is defined as a change in the type, intensity, duration and/or amount of services. A change in the cost of service, addition or reduction of staff members to or from an existing service, or an increase or decrease in the number of encounters are not considered in and of themselves a change in the scope of services. It is the responsibility of the FQHC to notify the Division of Medicaid of any changes in the scope of services and to provide the proper documentation to support the rate change. Adjustments to the base rate for the increase or decrease in scope of services will be reflected in the APM rate for services provided in the calendar year following the calendar year in which the change in scope of services took place.

FQHC DENTAL MANAGED CARE WRAP PAYMENT

FQHCs that have elected the dental APM and provide dental services under a contract with a Medicaid Managed Care Entity (MCE) will receive quarterly supplemental payments from the state equivalent to the difference between the payment the FQHC received from the MCE(s) and the payments the FQHC would have received under the alternative methodology. At the end of each FQHC fiscal year, the total amount of supplemental and MCE payments received by the FQHC will be reviewed against the calculated amount that the actual number of visits provided under the FQHCs contract with MCE(s) would have yielded under the alternative methodology. If the total amount of supplemental and MCE payments exceeds the amount calculated using alternative methodology amount and the actual number of visits, the FQHC will refund the difference. If the alternative methodology amount exceeds the total amount of supplemental and MCE payments, the FQHC will be paid the difference between the alternative amount calculated using the actual number of visits, and the total amount of supplemental and MCE payments received by the FQHC.

For Medicaid clients enrolled with a managed care entity (MCE), the State anticipates that the MCE will pay each center/clinic, an encounter rate that is at least equal to the PPS base rate specific to each center. To ensure that the appropriate amounts are being paid to each center, the State will perform an analysis of the MCE's data at least quarterly and verify that the payments made by the MCE in the previous quarter were in compliance with Section 1902(bb)(5)(A) of the SSA. This process will apply to centers/clinics reimbursed under the PPS and APM rate methodology.

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TN #. NE 20-0008

Supersedes

Approval Date 10/21/20 Effective Date July 1, 2020

TN #. New