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State/Territory Name: Maine

State Plan Amendment (SPA) #: 22-0013

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
7500 Security Boulevard, Mail Stop S3-14-28
Baltimore, Maryland 21244-1850



Financial Management Group

July 25, 2022

Michelle Probert
Director, MaineCare Services
11 State House Station
109 Capitol Street
Augusta, Maine 04333-0011

RE: State Plan Amendment (SPA) ME-22-0013

Dear Ms. Probert:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State Plan submitted under transmittal number (TN) 22-0013. Effective May 1, 2022, this amendment adds a value-based purchasing (VBP) supplemental sub-pool that distributes \$600,000 annually to eligible hospitals based on performance on one or more predetermined quality measures. The Department will post the quality measure(s) on its website and communicate any changes to the measure(s) to providers at least 120 days prior to implementation of the measure(s).

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 implementing Federal regulations at 42 CFR 447 Subpart C.

This is to inform you that Medicaid State Plan Amendment ME-22-0013 is approved effective May 1, 2022. The CMS-179 and the plan pages are attached.

If you have any additional questions or need further assistance, please contact James Francis at 857-357-6378 or james.francis@cms.hhs.gov.

Sincerely,



Rory Howe
Director

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER
22 0013

2. STATE
Maine (ME)

3. PROGRAM IDENTIFICATION: TITLE **XIX** OF THE
SOCIAL SECURITY ACT

TO: CENTER DIRECTOR
CENTERS FOR MEDICAID & CHIP SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE
May 1, 2022

5. FEDERAL STATUTE/REGULATION CITATION
42 CFR 447

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)
a. FFY **2022** \$ **421,200**
b. FFY **2023** \$ **379,740**

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT
**Attachment 4.19-B Page 4, 4(a), and 4(b)
Attachment 4.19-A Page 4, 4(a), and 4(b)**

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable)
**Attachment 4.19-B Page 4 and 4(a)
Attachment 4.19-A Page 4 and 4(a)**

9. SUBJECT OF AMENDMENT
The addition of a value-based supplemental sub-pool for eligible hospitals

10. GOVERNOR'S REVIEW (Check One)

- GOVERNOR'S OFFICE REPORTED NO COMMENT
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

OTHER, AS SPECIFIED:

11. SIGNATURE OF STATE AGENCY OFFICIAL

12. TYPED NAME

Michelle Probert

13. TITLE

Director, MaineCare Services

14. DATE SUBMITTED

April 26, 2022

15. RETURN TO

**Michelle Probert
Director, MaineCare Services
#11 State House Station
109 Capitol Street
Augusta, Maine 04333-0011**

FOR CMS USE ONLY

16. DATE RECEIVED

April 26, 2022

17. DATE APPROVED

July 25, 2022

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL

May 1, 2022

19. SIGNATURE OF APPROVING OFFICIAL

20. TYPED NAME OF APPROVING OFFICIAL

Rory Howe

21. TITLE OF APPROVING OFFICIAL

Director, Financial Management Group

22. REMARKS

The state authorized pen-and-ink changes to update blocks 7 and 8 from "4.19-B" to "4.19-A." JGF 07/18/22

B-5

MaineCare Member Days Awaiting Placement (DAP) at a Nursing Facility (NF)

Effective October 1, 2019 the Department will reimburse hospitals other than critical access hospitals for each day after the tenth (10th) day that a MaineCare eligible individual is in the care of the hospital while awaiting placement in a NF. The Department will reimburse at the statewide average rate per MaineCare member day for NF services. The statewide average rate will be computed based on the simple average NF rate per MaineCare member day for the applicable state fiscal year or years prorated for the hospital's fiscal year. Reimbursement for days awaiting placement pursuant to this section is limited to a maximum of \$500,000 of combined state General Fund and federal funds for each year. The Department will reimburse quarterly by order of claim date. In the event the cap is expected to be exceeded in any quarter, reimbursement for claims in that quarter will be paid out proportionately, and a notification of total funds expended for that year will be sent out to providers. This section is repealed December 31, 2023

B-6 Value-Based Purchasing Supplemental Sub-pool

Effective May 1, 2022 the Department is establishing a value-based purchasing supplemental sub-pool (VBP sub-pool) which distributes \$600,000 to eligible hospitals annually in May. Eligible hospitals are acute care non-critical access, critical access, and hospitals reclassified to a wage area outside of Maine that participate in the MaineCare Accountable Communities (AC) Program as found in Attachment 3.1-A item 28. *Integrated Care Model Accountable Community (AC) Program*. Allocations will not exceed the total VBP sub-pool amount and will not exceed allowable aggregate upper payment limits.

Funds will be distributed based on performance on one or more quality measures. The Department's website at <https://www.maine.gov/dhhs/oms/providers/value-based-purchasing> lists the current measure(s). The Department will notify hospitals at least one hundred twenty (120) days prior to any changes to the measure(s).

Hospital Service Area (HSA): The Department will utilize Hospital Service Areas (HSAs) in its calculation of the VBP sub-pool. The HSA methodology is developed by the Dartmouth Institute for Health Policy and Clinical Practice and made publicly available on their website. Maine Health Data Organization (MHDO) makes available HSA assignments for Maine hospitals based on the most recent available crosswalk posted by the Dartmouth Institute. That information is located at: <https://data.dartmouthatlas.org/supplemental/#crosswalks>.

Each HSA consists of a group of cities and towns that include one or more hospitals where local residents receive most of their hospitalizations.

The Department first determines which HSAs are eligible to have the hospitals located in the HSA awarded payment from the VBP sub-pool. The Department will allocate the \$600,000 according to performance rank (\$300,000 divided) and to performance weighted by HSA size (\$300,000 divided). HSA size means the number of MaineCare members in each HSA.

Performance Rank	Share of Sub-Pool
<i>Top ranked HSA</i>	<i>\$75,000</i>
<i>2nd and 3rd ranked HSA</i>	<i>\$50,000 each (\$100,000 total)</i>
<i>4th through 8th ranked HSA</i>	<i>\$25,000 each (\$125,000 total)</i>
Total:	\$300,000

Performance weighted by HSA size:

Performance Weighted Portion of Payment =

$$\text{Member Count} * \text{Per Member Average} * \frac{\text{HSA measure result}}{\text{Average measure result for top 8 HSAs}}$$

If an awarded HSA contains more than one hospital from different ACs, the amount of funds will be distributed proportionate to the number of AC attributed lives within the HSA associated with each hospitals' corresponding AC.

If an awarded HSA contains more than one hospital from the same AC, the funds are distributed according to a secondary AC-specific measure. The secondary AC specific measure can also be located on the Departments website listed above.

C ACUTE CARE NON-CRITICAL ACCESS HOSPITALS_**C-1 Department 's Inpatient Obligation to the Hospital**

The Department of Health and Human Services' total annual obligation to a hospital will be the sum of MaineCare's obligation for the following: inpatient services + inpatient capital costs + inpatient hospital based physician costs+ graduate medical education costs+ Disproportionate Share Payments (for eligible hospitals) and supplemental pool reimbursements+ until July 1 2011, days awaiting placement.

A. Inpatient Services (not including distinct psychiatric or substances abuse unit discharges)

The Department pays using DRG-based discharge rates, which include estimated capital and medical education costs (see Appendix for full description). As explained in the Appendix, the payment is comprised of three components: the capital expense and graduate medical education components both of which will be subject to interim and final cost settlement, and the DRG direct rate component which will not be cost settled.

B. Distinct Psychiatric Unit

MaineCare pays a distinct psychiatric unit discharge rate equal to \$6,438.72, except for (1) Northern Maine Medical's distinct psychiatric discharge unit rate will be \$15,679.94, and (2) effective July 1, 2013, hospitals in the Lewiston-Auburn area will receive \$9,128.31 per psychiatric discharge for members under 18 years of age, and (3) effective October 1, 2021, Southern Maine Health Care's distinct psychiatric discharge unit rate will be \$10,166.00. MaineCare will only reimburse at the distinct unit psychiatric rate when the member has spent the majority of his or her stay in the distinct unit. MaineCare will only reimburse for one (1) discharge for a single hospital for one episode of care.

Distinct psychiatric unit discharge rates will not be adjusted annually for inflation.

The Department will reimburse hospitals based on UB-04 and/or CMS 1500 billing forms. This payment is not subject to cost settlement.

C. Distinct Substance Abuse Unit

Effective April 1, 2013 MaineCare will pay a distinct substance abuse unit discharge rate equal to \$4,898. MaineCare will only reimburse at the distinct unit substance abuse rate when the member has spent the majority of his or her stay in the distinct unit. MaineCare will only reimburse for one (1) discharge for a single hospital for one (1) episode of care.

D. Inpatient Hospital Based Physician

Non-rural Hospitals:

MaineCare will reimburse 93.3% of its share of inpatient hospital-based physicians costs.

Rural Hospitals:

MaineCare will reimburse 100% of its share of inpatient hospital-based physician costs. MaineCare will reimburse 100% of graduate medical education costs.