

## **Table of Contents**

**State/Territory Name: NE**

**State Plan Amendment (SPA) #: 24-0008**

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



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**Financial Management Group**

November 1, 2024

Matthew Ahern, Interim Director  
Division of Medicaid and Long Term Care  
Nebraska Department of Health and Human Services  
301 Centennial Mall South  
Lincoln, NE 68509

RE: TN 24-0008

Dear Mr. Ahern:

The Centers for Medicare & Medicaid Services (CMS) has reviewed the proposed Nebraska state plan amendment (SPA) to Attachment 4.19-A, which was submitted to CMS on September 4, 2024. This plan amendment proposes change to implement the long-term acute care hospital provider specialty type within the Medicaid program.

We reviewed your SPA submission for compliance with statutory requirements, including in sections 1902(a)(2), 1902(a)(13), 1902(a)(30), 1903 as it relates to the identification of an adequate source for the non-federal share of expenditures under the plan, as required by 1902(a)(2) of the Social Security Act and the applicable implementing Federal regulations.

Based upon the information provided by the state, we have approved the amendment with an effective date of July 1, 2024. We are enclosing the approved CMS-179 and a copy of the new state plan pages.

If you have any questions, please contact Fredrick Sebree at [Fredrick.sebree@cms.hhs.gov](mailto:Fredrick.sebree@cms.hhs.gov).

Sincerely,

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

Rory Howe  
Director

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE &amp; MEDICAID SERVICES</b>		1. TRANSMITTAL NUMBER <div>24 — 0008</div>	2. STATE <div>NE</div>
		3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT <div><input checked="" type="checkbox"/> XIX <input type="checkbox"/> XXI</div>	
TO: CENTER DIRECTOR CENTERS FOR MEDICAID & CHIP SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES		4. PROPOSED EFFECTIVE DATE July 1, 2024	
5. FEDERAL STATUTE/REGULATION CITATION 42 CFR Part 482		6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars) <div>a. FFY 2024 \$ 0</div> <div>b. FFY 2025 \$ 0</div>	
7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT Att. 4.19-A, Pg 1b Att. 4.19-A, Pg 16a		8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) Att. 4.19-A, Pg 1b Att. 4.19-A, Pg 16a	
9. SUBJECT OF AMENDMENT Long-Term Acute Care Hospital (LTACH)			
10. GOVERNOR'S REVIEW (Check One) <div><input type="radio"/> GOVERNOR'S OFFICE REPORTED NO COMMENT</div> <div><input type="radio"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED</div> <div><input type="radio"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL</div> <div><input checked="" type="radio"/> OTHER, AS SPECIFIED: Governor has waived review</div>			
11. SIGNATURE OF STATE AGENCY OFFICIAL <div></div>		15. RETURN TO Dawn Kastens Division of Medicaid & Long-Term Care Nebraska Department of Health and Human Services 301 Centennial Mall South Lincoln, NE 68509	
12. TYPED NAME Matthew Ahern			
13. TITLE Interim Director, Division of Medicaid & Long-Term Care			
14. DATE SUBMITTED September 4, 2024			
FOR CMS USE ONLY			
16. DATE RECEIVED 9/4/2024		17. DATE APPROVED November 1, 2024	
PLAN APPROVED - ONE COPY ATTACHED			
18. EFFECTIVE DATE OF APPROVED MATERIAL 7/1/2024		19. SIGNATURE OF APPROVING OFFICIAL <div></div>	
20. TYPED NAME OF APPROVING OFFICIAL Rory Howe		21. TITLE OF APPROVING OFFICIAL Director, FMG	
22. REMARKS			

DRG Weight: A number that reflects relative resource consumption as measured by the relative costs by hospitals for discharges associated with each DRG and Severity of Illness (SOI).

Hospital Mergers: Hospitals that have combined into a single corporate entity, and have applied for and received a single inpatient Medicare provider number and a single inpatient Medicaid provider number.

Hospital-Specific Base Year Operating Cost: Hospital specific operating allowable cost associated with treating Medicaid patients. Operating costs include the major moveable equipment portion of capital-related costs, but exclude the building and fixtures portion of capital-related costs, direct medical education costs, and indirect medical education costs.

Hospital-Specific Cost-to-Charge Ratio: Hospital-Specific Cost-to-Charge Ratio is based on total hospital aggregate costs divided by total hospital aggregate charges. Hospital-Specific Cost-to-Charge Ratios used for outlier cost payments and Transplant DRG CCR payments are derived from the outlier CCRs in the Medicare inpatient prospective payment system.

Indirect Medical Education Cost Payment: Payment for costs that are associated with maintaining an approved medical education program, but that are not reimbursed as part of direct medical education payments.

LONG TERM ACUTE CARE HOSPITAL (LTACH): A hospital that is licensed as a general acute care hospital that focuses on treating patients requiring extended hospital-level care, typically following initial treatment at a general acute care hospital. Patients treated in a Long Term Acute Care Hospital are not generally appropriate for lower level-of-care settings, but are expected to improve to lower level-of-care status.

Low-Income Utilization Rate: For the cost reporting period ending in the calendar year preceding the Medicaid rate period, the sum (expressed as a percentage) of the fractions, calculated from acceptable data submitted by the hospital as follows:

1. Total Medicaid inpatient revenues including fee-for-service, managed care, and primary care case management payments (excluding payments for disproportionate share hospitals) paid to the hospital, plus the amount of cash subsidies received directly from state and local governments in a cost reporting period, divided by the total amount of revenues of the hospital for inpatient services including fee-for-service, managed care, and primary care case management payments (including the amount of cash subsidies received directly from state and local governments and excluding payments for disproportionate share hospitals) in the same cost reporting period; and

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Transmittal # NE 24-0008

Supersedes

Transmittal # NE 14-002

Approved 11/01/2024 Effective July 1, 2024

For payment of inpatient hospital psychiatric services, effective July 1, 2023, the tiered per diem rate will be:

Days of Service	Per Diem Rate
Days 1 and 2	\$994.30
Days 3 and 4	\$919.55
Days 5 and 6	\$877.34
Days 7 and greater	\$835.60

Payments for Rehabilitation Services: Payments for rehabilitation discharges are made on a prospective per diem.

All rehabilitation services, regardless of the type of hospital providing the service, will be reimbursed on a per diem basis. This includes services provided at a facility enrolled as a provider for rehabilitation services which is not a licensed rehabilitation hospital or a Medicare-certified distinct part unit.

The per diem will be the sum of:

1. Hospital-Specific Per Diem
2. Direct Medical Education (DME) Cost Payment, if applicable

Payment for each discharge equals the per diem times the number of approved patient days. Payment is made for the day of admission but not for the day of discharge. Per diem payment amounts are subject to annual adjustment as specified by Nebraska Legislative appropriations.

Payments for Long Term Acute Care Hospital (LTACH) Services:

Payments for long term acute care hospitals discharges are made on a prospective per diem, depending on whether the client requires ventilator or non-ventilator services (whichever is applicable), as determined by prior authorization review. A prior authorization is required for all long term acute care hospital services for either ventilator or non-ventilator services.

The per diem will be the sum of:

1. LTACH ventilator or non-ventilator per diem; and
2. Direct Medical Education (DME) Cost Payment, if applicable

Payment for each discharge equals the per diem times the number of approved patient days. Payment is made for the day of admission but not the day of discharge.

To establish baseline per diem rates for both ventilator and non-ventilator LTACH services, Nebraska modeled state fiscal year 2025 (SFY25) LTACH per diem rates separately for non-ventilator and ventilator services, where ventilator services are identified based on ICD-10 procedure code.

The SFY25 LTACH routine per diem rate for non-ventilator cases is based on the statewide average Medicaid LTACH cost per day for LTACH non-ventilator encounters, excluding Medicare crossover and dual eligible claims, and with an appropriations' adjuster.

The SFY25 LTACH ventilator per diem rate includes a positive 15% rate differential in comparison to non-ventilator LTACH services based on a higher cost determination during initial rate establishment. The ventilator rate differential percentage will be revaluated during each rebasing period and adjusted as needed.

Per diem payment amounts are subject to annual adjustment as specified by Nebraska Legislative appropriations and are periodically rebased.