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State Territory Name: NEW HAMPSHIRE

State Plan Amendment (SPA) #: 23-0053

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
John C. Kluczynski Federal Building
230 S Dearborn Street, Suite 330F
Chicago, IL 60604-1505



Financial Management Group

March 1, 2024

Lori A. Weaver
Interim Commissioner
Department of Health and Human Services
129 Pleasant St.
Concord, NH 03301

RE: New Hampshire State Plan Amendment (SPA) Transmittal Number 23-0053

Dear Interim Commissioner Weaver:

We have reviewed the proposed New Hampshire State Plan Amendment (SPA) to Attachment 4.19-B submitted under TN-23-0053, which was submitted to the Centers for Medicare & Medicaid Services (CMS) on December 15, 2023. This amendment adjusts the methodology for out-of-state border hospitals, for the Federally Qualified Health Centers (FQHCs) and Rural Health Centers (RHCs).

Based upon the information provided by the State, we have approved the amendment with an effective date of October 1, 2023. We are enclosing the approved CMS-179 and a copy of the new state plan pages.

Please note that our approval relates only to the requested change in payment methodology and that the resultant rates and related expenditures are consistent with section 1902(a)(30)(A) of the Act. CMS may still have questions on the funding structure in determining it's consistent with sections 1902(a)(2), 1903(a), and 1903(w) of the Act as implemented by 42 CFR §433.54. Approval of the subject SPA does not relieve the state of its responsibility to comply with federal laws and regulations, and to ensure that claims for federal funding are consistent with all applicable requirements. On April 2nd, 2021, CMS issued a letter on the New Hampshire Granite Advantage Health Care Trust Fund, in companion to the approval of New Hampshire's Medicaid managed care state directed payment preprints. The letter requested additional information to allow CMS to further review the state's sources of non-federal share financing of the Medicaid adult expansion population. The result of that review may also be applicable to the expenditures related to the payments authorized in this SPA.



If you have any additional questions or need further assistance, please contact Debi Benson at 1-312-886-0360 or Deborah.Benson@cms.hhs.gov.

Sincerely,



Todd McMillion
Director
Division of Reimbursement Review

Enclosures

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES		1. TRANSMITTAL NUMBER <u>2 3 — 0 0 5 3</u>	2. STATE <u>NH</u>
		3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT <input checked="" type="radio"/> XIX <input type="radio"/> XXI	
TO: CENTER DIRECTOR CENTERS FOR MEDICAID & CHIP SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES		4. PROPOSED EFFECTIVE DATE October 1, 2023	
5. FEDERAL STATUTE/REGULATION CITATION Title XIX of the SSA, 42 CFR 440.20, & 42 CFR Part 447		6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars) a. FFY <u>2024</u> \$ <u>72,937</u> b. FFY <u>2025 P/I</u> \$ <u>72,937 P/I</u>	
7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT Attachment 4.19-B, Page 1 and 5a		8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) Attachment 4.19-B, page 1 (TN-21-0006), page 5a (TN 21-0018)	
9. SUBJECT OF AMENDMENT Federally Qualified Health Centers/Rural Health Clinics-Non-Hospital Based/Rural Health Clinics-Hospital Based - NH 2023 Budget Rate Increase and adding the rate methodology for out-of-state outpatient services.			
10. GOVERNOR'S REVIEW (Check One) <input type="radio"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input type="radio"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="radio"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL <input checked="" type="radio"/> OTHER, AS SPECIFIED:			
11. SIGNATURE OF STATE AGENCY OFFICIAL 		15. RETURN TO Jody Farwell Division of Medicaid Services/Brown Building Department of Health and Human Service 129 Pleasant Street Concord, NH 03301	
12. TYPED NAME Ann H. Landry		FOR CMS USE ONLY	
13. TITLE Associate Commissioner			
14. DATE SUBMITTED <u>12/15/2023</u> P/I			
16. DATE RECEIVED December 15, 2023		17. DATE APPROVED March 1, 2024	
PLAN APPROVED - ONE COPY ATTACHED			
18. EFFECTIVE DATE OF APPROVED MATERIAL October 1, 2023		19. SIGNATURE OF APPROVING OFFICIAL 	
20. TYPED NAME OF APPROVING OFFICIAL Todd McMillion		21. TITLE OF APPROVING OFFICIAL Director, Division of Reimbursement Review	
22. REMARKS State authorized pen and ink changes 2/26/24			

PAYMENT RATES FOR ALL TYPES OF CARE OTHER THAN INPATIENT HOSPITAL,
SKILLED NURSING, OR INTERMEDIATE NURSING CARE SERVICES

1. Outpatient Hospital Services

In-State Providers - reimbursed with an interim payment based on a percent of charges. Final payment is made in accordance with a percent of costs. An audit of each hospital's actual costs eligible for reimbursement shall be performed by the fiscal intermediary in accordance with federal Medicare requirements. The Department shall determine the percent of actual costs to be reimbursed, and then payments made to the hospital shall be cost settled using the percent determined by the Department and the actual cost data audited by the fiscal intermediary. Laboratory services provided as part of an outpatient hospital visit are reimbursed through an add-on fee and are paid in addition to the percentage of cost payment for the outpatient visit.

The interim rate established for each hospital is set as a Ratio of Cost to Charges (RCC) derived from the last settlement processed. Each hospital shall, after the close of its own unique fiscal period, submit the Medicare Cost Report (CMS Form 2552) as required by Medicare, which is subsequently audited by the Medicare Fiscal Intermediary according to the Medicare auditing schedule and principles of reimbursement. Allowable costs are allocated to the outpatient services rendered to NH Medicaid recipients on Worksheet E-3, Part III. The current reimbursable amount of the costs is at 57.44% for acute care non-critical access hospitals and 97.02% for critical access hospitals and rehabilitation hospitals. The actual interim payments made during the cost period are compared to the reimbursable costs determined by audit and the difference is the settlement payable to the hospital or to the Department. The results of this review are reported by the fiscal intermediary to the Department and to each hospital. Settlements due to the hospitals are paid in accordance with the timely claims payment requirements of 42 CFR 447.45.

Out-of-State and Border Hospital Providers - reimbursed based on a ratio of cost to charges set as the median of similar in-state hospital types, Critical Access Hospital and Non-Critical Access Hospital. The current median rate for non-Critical Access Hospitals is 13%. The current median rate for Critical Access Hospitals is 44%. Reimbursement for services for these providers is final, there is no cost settlement.

PAYMENT RATES FOR ALL TYPES OF CARE OTHER THAN INPATIENT HOSPITAL,
SKILLED NURSING, OR INTERMEDIATE NURSING CARE SERVICES

**Addendum to 21 and 23 above, RHC's, FQHC's and FQHC-LAL's (continued):

Description of Alternative Payment Methodology – RHC's, FQHC's and FQHC-LAL's (21 and 23 above)

21a and 23. Rural Health Clinics - Non-Hospital Based (RHC-NHB), Federally Qualified Health Centers (FQHC's) and FQHC Look-A-Likes (LAL's)

a) General

Payment for RHC-NHB's, FQHC's, and FQHC-LAL's is based on Section 702 of the Benefits Improvement and Protection Act (BIPA) of 2000. The NH Department of Health and Human Services (the Department) determines an encounter rate for primary, preventive care services using an Alternative Payment Methodology (APM) under SSA 1902(bb)(6). The encounter rate is an all-inclusive rate of payment for primary, preventive care covered services defined in 1905(a)(2)(B) and (C) of the Social Security Act and included in the NH Title XIX State Plan to eligible Medicaid recipients.

The Alternative Payment Methodology (APM) is calculated using the providers' fiscal year 2022 cost-settled rates as the baseline for all subsequent years' encounter rates trending forward using the Federally Qualified Health Center PPS published annually for each of those years. The cost settlement process applied to the 2022 baseline limited each provider to the greater of their actual costs or 133% of the Medicare rate.

The Department also calculates an encounter rate using a Prospective Payment Methodology (PPS) and the formula established by BIPA 2000, using the average cost based rate per visit for provider fiscal years of 1999 and 2000, trended forward by the MEI.

The baseline rates for RHC-NHB's, FQHC's, and FQHC-LAL's that did not have any reported costs in either the APM or PPS baseline will be set as an average of the rates for similar clinics or centers. The effective date for such rates is the effective Medicaid enrollment date for the provider.

Effective October 1, 2023, each provider will receive an encounter rate that is the greater of the APM or PPS. Only those providers that agree in writing to the proposed APM will receive the proposed APM. Thereafter, annually on July 1, each provider's encounter rate will be trended forward by using the MEI for the PPS and the FQHC PPS for the APM and adjusted for any approved change in scope of services (as detailed in the following pages).

TN No: 23-0053

Supersedes

TN No: 21-0018

Approval Date March 1, 2024

Effective Date: 10/01/2023