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State/Territory Name: New Hampshire

State Plan Amendment (SPA) #: NH-23-0002

This file contains the following documents in the order listed:

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

October 4, 2023

Lori A. Weaver, Interim Commissioner
Department of Health and Human Services
State of New Hampshire
129 Pleasant Street
Concord, NH 03301

RE: New Hampshire State Plan Amendment 23-0002

Dear Commissioner Weaver:

We have reviewed the proposed amendment to Attachment 4.19-D of your Medicaid State plan submitted under transmittal number (TN) 23-0002. Effective July 1, 2023, this amendment proposes that all county nursing facilities would receive supplemental payments under the Proportionate Share Incentive Adjustment 2 methodology.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30) and 1903(a) 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 TN 23-0002 is approved effective July 1, 2023. The CMS-179 and the amended plan page(s) are attached.

If you have any additional questions or need further assistance, please contact Mark Wong at (415) 744-3561 or mark.wong@cms.hhs.gov.

Sincerely,

[redacted]

Rory Howe
Director

Enclosures

DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICES

FORM APPROVED
OMB No. 0938-0193

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL

FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES

1. TRANSMITTAL NUMBER: 23 — 0002

2. STATE: NH

3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT: (●) XIX ( ) XXI

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

4. PROPOSED EFFECTIVE DATE
July 1, 2023

5. FEDERAL STATUTE/REGULATION CITATION
42 C.F.R. Subpart C and Title XIX of the Social Security Act

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)
a. FFY 2023 $ 1,127
b. FFY 2024 $ 3,381

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT
Attachment 4.19-D, pages 31 (a.1), (b), (c) - new page, and (d.1)

page 31(d) - new page; pages 31(d.5), 31(d.6), 31(d.7) - new pages

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT *(If Applicable)*
Attachment 4.19-D, page 31(a.1) (TN 22-0031)
Attachment 4.19-D, page 31(b) (TN 03-002)
Attachment 4.19-D, pages 31(c.1), (c.2), and (d.1) (TN 21-0037)

9. SUBJECT OF AMENDMENT
Proportionate Share Incentive Adjustment 2 - CPE

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. AGENCY OFFICIAL
[redacted]

12. Ann H. Landry

13. TITLE
Associate Commissioner

14. DATE SUBMITTED
September 18, 2023

15. RETURN TO
Jody Farwell
Division of Medicaid Services - Brown Building
129 Pleasant Street
Concord, NH 03301

FOR CMS USE ONLY

16. DATE RECEIVED
September 18, 2023

17. DATE APPROVED
October 4, 2023

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL
July 1, 2023

19. SIGNATURE OF APPROVING OFFICIAL
[redacted]

20. TYPED NAME OF APPROVING OFFICIAL
Rory Howe

21. TITLE OF APPROVING OFFICIAL
Director, Financial Management Group

22. REMARKS
Pen-and-ink changes made to Box 7 by CMS, with state concurrence.

Instructions on Back

the percentage of covered and adjudicated Medicaid fee-for-service (FFS) days from the Medicaid Management Information System (MMIS) out of the total days for the cost report period for each of the applicable components (ICF, SNF, and Atypical Care Unit). This allocated cost is the total certified Medicaid Reimbursable Cost. The Medicaid Reimbursable Cost is further offset by other applicable sources of patient care revenue for the Medicaid FFS services, including third party payments and patient copayments, to arrive at net Medicaid Reimbursable costs.

- Settlement: Within 24 months of the end of a reporting period, the Department will compare the final audited net Medicaid Reimbursable costs to Medicaid payments made for the period. If interim payments exceed the final audited net costs, the Department will recoup the reconciled difference and return the federal share of overpayment to the federal government pursuant to 42 CFR 433, Subpart F. If the final audited net costs exceed the interim payments, the Department will submit claims for the additional costs to reimburse the facility.

d. Payment of Rates

1. The Department will determine and pay rates for long term nursing care based on the principles and procedures contained in the Title XIX State Plan.

2. The Department will reimburse at the rates set by out-of-state Medicaid agencies for services rendered to NH Medicaid patients in those states.

3. However, where an out-of-state Medicaid rate does not exist, or it is not sufficient to allow access of the New Hampshire patients in need of services, a rate will be determined by the Division of Elderly & Adult Services on the basis of cost data and cost finding as described in Section 9999.7 and 8.

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e. Proportionate Share Incentive Adjustment 2

Effective July 1, 2023, all non-State operated governmental (county) nursing facilities shall receive payments under this section according to the following conditions:

1. The Department recognizes that non-State operated governmental (county) nursing facilities provide care to many severely medically involved patients requiring an extraordinarily intensive and costly level of care and have a very high Medicaid proportion of their patient census.

2. The Department will ensure continued access to this level of care through proportionate share incentive adjustment payments to non-State operated governmental nursing facilities.

3. The interim Proportionate Share Incentive Adjustment 2 shall be made to all qualifying non-State operated governmental nursing facilities in one payment by the end of each State Fiscal Year. The payment shall be calculated for each qualifying nursing facility by tallying allowable costs as reflected on the latest filed Medicaid cost report available for all qualifying nursing facilities applied to the Medicaid fee-for-service population and Medicaid payments received by the nursing facility for Medicaid fee-for-service enrollees. The Proportionate Share Incentive Adjustment 2 shall be no more than the difference between Medicaid Costs and Medicaid Payments. The interim payments are then subject to a reconciliation to final audited net Medicaid fee-for-service costs for the service period.

4. All qualifying nursing facilities shall certify expenditures for Proportionate Share Incentive Adjustment 2 based on the following process.

Interim Payments: The Department will develop and pay interim payments to qualifying facilities based on filed cost reports from the most recent period for which such information is available, adjusted by inflation to the current payment period. The interim payments are provisional in nature and subject to reconciliation after the completion of cost reconciliation and settlement.

Cost Reports: Final reimbursement for services provided by each qualifying facility will be based on a finalized certified cost report provided by the facility to the Department. The Department will review and audit the data before finalizing the

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