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State/Territory Name: New Hampshire

State Plan Amendment (SPA) #: NH-24-0024

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

October 15, 2024

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

RE: New Hampshire State Plan Amendment Transmittal Number 24-0024

Dear Commissioner Weaver:

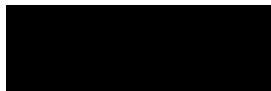
The Centers for Medicare & Medicaid Services (CMS) has reviewed the proposed New Hampshire state plan amendment (SPA) to Attachment 4.19-D NH-24-0024, which was submitted to CMS on September 17, 2024. This plan amendment updates the nursing facility reimbursement rate budget adjustment factor and the Class Line 504 amount, effective July 1, 2024. This amendment also updates the plan language to refer to Patient Driven Payment Model (PDPM) for purpose of the case mix calculation.

We reviewed your SPA submission for compliance with statutory requirements, including in sections 1902(a)(2), 1902(a)(13), 1902(a)(30), and 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 additional questions or need further assistance, please contact Mark Wong at 415-744-3561 or via email at mark.wong@cms.hhs.gov.

Sincerely,



Rory Howe
Director

Enclosures

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

1. TRANSMITTAL NUMBER

2 4 — 0 0 2 4

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, 2024

5. FEDERAL STATUTE/REGULATION CITATION

42 C.F.R. Part 447 and Title XIX of the Social Security Act

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)

a. FFY 2024 \$ 4,443,318

b. FFY 2025 \$ 17,773,273

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Attachment 4.19-D, page 29(a)
Attachment 4.19-D, page 29(c)
Attachment 4.19-D, page 29(d)
Attachment 4.19-D, page 29(e)
Attachment 4.19-D, page 29(f)

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)

Attachment 4.19-D, page 29(a), TN 17-0005
Attachment 4.19-D, page 29(c), TN 17-0005
Attachment 4.19-D, page 29(d), TN 17-0005
Attachment 4.19-D, page 29(e), TN 03-003
Attachment 4.19-D, page 29(f), TN 24-0011

9. SUBJECT OF AMENDMENT

Nursing Facility Reimbursement Change to Budget Adjustment Factor (BAF) and Patient Driven Payment Model (PDPM)

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:

STATE AGENCY OFFICIAL

12. TYPED NAME

Ann H. Landry

13. TITLE

Associate Commissioner

14. DATE SUBMITTED

9/17/2024

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 17, 2024

17. DATE APPROVED

October 15, 2024

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL

July 1, 2024

19. SIGNATURE OF APPROVING OFFICIAL

20. TYPED NAME OF APPROVING OFFICIAL

Rory Howe

21. TITLE OF APPROVING OFFICIAL

Director, Financial Management Group

22. REMARKS

Governor comments, if any will follow

Attachment 4.19D	ITEM B	PAGE 29(a)
MEDICAL ASSISTANCE	SUBJECT NURSING FACILITY REIMBURSEMENT	DATE SR

Policy
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(b) The New Hampshire Acuity-Based Nursing Facility System resident classifications will be derived from the PDPM nursing component classification system from CMS when calculated by the third party Medicaid vendor.

(c) Atypical (special needs) residents are excluded from this classification methodology. The cost of atypical (special needs) care is determined according to Section 9999.8 c.

3. Retrospective Rates

Prospective rates are used for nursing facilities rather than retrospective rates,

4. Rate Components

(a) A single facility-wide prospective rate will be paid to each facility. This prospective rate is comprised of five components of cost determined from nursing facility cost reports submitted to the Department. The five components of costs are as follows:

(1) Administrative costs are those costs incurred in the general management and support of the facility. They include, but are not limited to, compensation for owners, administrators and consultants, management fees, accounting, legal, travel, working capital interest, and other similar costs. In the base year, costs were inflated from the midpoint of the cost report period to the midpoint of the rate period using the CMS Prospective Payment System (PPS) Skilled Nursing Facility Input Price Index by Expenses Category index.

TN No: 24-0024
Supersedes
TN No: 17-0005

Effective Date: 07/01/2024
Approval Date: October 15, 2024

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- (b) For each of the components of cost, inflated costs per diem are adjusted by a factor to remove costs incurred by residents with atypical (special needs) needs that are determined according to Section 9999.8c of this Plan. The atypical (special needs) factor is calculated by multiplying the atypical (special needs) rate in effect by actual atypical (special needs) days to actual total atypical (special needs) costs. To calculate the number of atypical (special needs) days, the number of atypical (special needs) residents in each facility as of a date specified by the Department of Health and Human Services was multiplied by 365. The atypical payments are then divided by total Medicaid costs for each facility to develop a ratio of atypical (special needs) costs to total costs. Each cost component per diem is then reduced by this ratio to remove costs of treating an atypical (special needs) resident.

5. Classification of Residents Using MDS 3.0 and PDPM Nursing Component

- (a) The relative weight for each of the PDPM Nursing Component classifications is based on the Federal relative weights for the PDPM weights that are published annually in the Federal Register.
- (b) Using the MDS Data 3.0, submitted quarterly, the assessment types used will be CMS required MDS (OBRA and PPS) assessments including admission, annual, significant change, quarterlies and PPS-only assessments. The applicable date on the MDS used to determine inclusion in the Picture Data draw is the last day of the fifth month prior to the Medicaid rate date. These assessments shall be either an admission assessment with a Date of Entry on or before the picture date depending on the adjustment period or the most recent Quarterly, Annual, or Significant Change assessment with an Assessment Reference Date no later than five days past the picture date. All applicable assessments should be transmitted and accepted at the state database on or before the 20th of the month following the picture date, for inclusion in the Picture Date Case Mix Index data collection process by all New Hampshire nursing facilities for all residents.

TN No: 24-0024
Supersedes
TN No: 17-0005

Effective Date: 07/01/2024
Approval Date: October 15, 2024

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(c) The PDPM nursing component classifications are described as "State of New Hampshire Acuity Group Classifications." Relative weights for each classification are the Federal relative weights.

6. Calculation of the Facility All-Payor Case Mix Index

An all-payor case-mix index for each facility is determined by multiplying the number of residents times the relative weight for each of the PDPM nursing component classifications. The values across each resident grouping are summed and divided by the total number of residents. The all-payor case mix index shall be updated to synchronize the all-payor case mix index with the Medicaid cost report year.

7. Calculation of Prospective Per Diem Rates-Component Amounts

A facility-specific prospective per diem rate is calculated by summing five rate components: administrative costs, other support costs, plant maintenance, capital, and patient care costs. Each component's per diem amount is calculated as follows:

(a) The patient care cost component is based on the lower of each facility's case-mix adjusted direct care cost per diem amount, or the statewide median value. The case-mix adjusted direct care cost per diem for each facility is calculated by dividing total patient care costs (including allowed physical, occupational and speech therapy costs) from each facility's cost report by resident days, based on data included in the most recently desk reviewed and/or field audited cost reports inflated to the mid-point of the rate period in order to provide equity among providers with cost reports with year-end dates. The resulting amount is then divided by the all payor case-mix index to determine the case-mix adjusted patient care cost component per diem amount. Facility-specific amounts are arrayed, and the statewide median is determined.

TN No: 24-0024
Supersedes
TN No: 17-0005

Effective Date: 07/01/2024
Approval Date: October 15, 2024

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- (b) The Department will periodically review acuity-based rates for possible adjustments at least every six months, using the most recently available MDS data submitted by the facilities after review and validation.
- (c) The administrative cost component of the prospective per diem rate is based on the statewide median value. Facility-specific cost per diem amounts are calculated by dividing the total administrative costs by resident days, based on data included in the most recently desk reviewed and/or field audited cost reports, inflated to the midpoint of the rate period in order to provide equity among providers with cost reports with different year end dates. Facility-specific amounts are arrayed, and the statewide median value is determined.
- (d) The other support cost component of the prospective per diem rate is based on the statewide median value. Facility-specific cost per diem amounts are calculated by dividing the total other support costs by resident days, based on data included in the most recently desk reviewed and/or field audited cost reports, inflated to the midpoint of the rate period in order to provide equity among providers with cost reports with different year end dates. Facility-specific amounts are arrayed, and the statewide median value is determined.
- (e) The plant maintenance component of the prospective per diem rate is based on the statewide median value. Facility-specific cost per diem amounts are calculated by dividing the total plant maintenance costs by resident days, based on data included in the most recently desk reviewed and/or field audited cost reports, inflated to the midpoint of the rate period in order to provide equity among providers with cost reports with different year end dates. Facility-specific amounts are arrayed, and the statewide median value is determined.

TN No. 24-0024
Supersedes
TN No. 03-003

Effective Date: 07/01/2024
Approval Date: October 15, 2024

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- (f) The capital cost component of the prospective per diem rate is based on the actual facility cost, taken from the most recently desk reviewed and/or field audited cost reports, subject to an aggregate 85th percentile ceiling.
- (g) Administrative, other support, and plant maintenance cost components are reimbursed at the statewide median value, based on data included in the most recently desk reviewed and/or field audited cost reports.

8. Calculation of Facility-Specific Per Diem Rate

- (a) The per diem cost components are summed to obtain the total facility rate per day for each resident in the nursing facility as of a date specified by the Department of Health and Human Services.
- (b) The rate determined in (a) above shall be reduced by a budget adjustment factor (BAF) equal to 28.76%.
- (c) After the close of the state fiscal year, all monies remaining in the nursing facility account, after the budget adjustment factor is reconciled, are paid in the month of July to nursing facilities based on their pro rata share of total Medicaid fee for service nursing facility per diem expenditures. The balance remaining in the nursing facility account each state fiscal year is computed by subtracting the total expended Medicaid fee-for-service nursing facility per diem payments from the budget total in the account (i.e., class line 504).

For the state fiscal year ending June 30, 2025, the total computable budget amount allocated to class line 504 is \$287,877,714.

9. Rate Limitation

- (a) In no case may payment exceed the provider's customary charges to the general public for such services or the Medicare upper limit of reimbursement.
- (b) Payment shall be made at the lesser rate when an established rate is a condition to a certificate of need approval and that rate differs from the Medicaid rate established by the Department. When a rate limitation is applied as a condition of the certificate of need, a provider may, if aggrieved, appeal such limitation.

TN No: 24-0024
Supersedes
TN No: 24-0011

Effective Date: 07/01/2024
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