

## **Table of Contents**

**State/Territory Name: New Hampshire**

**State Plan Amendment (SPA) #: NH-25-0002**

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



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**Financial Management Group**

May 29, 2025

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 25-0002

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-25-0002, which was submitted to CMS on March 18, 2025. This plan amendment titled, "Nursing Facility Reimbursement: Change of Ownership (CHOW)" updates the process for setting rates for nursing facilities when ownership has changes.

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 January 1, 2025. 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 Wendy Harrison at 443-847-0369 or via email at [wendy.harrison@cms.hhs.gov](mailto:wendy.harrison@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 5 — 0 0 0 2

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

January 1, 2025

5. FEDERAL STATUTE/REGULATION CITATION

1902(a)(30)(A) and 1905(a)(4)(A) of the Social Security Act

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)

a. FFY 2024 \$ 0

b. FFY 2025 \$ 0

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Attachment 4.19-D pages 4, 5, 7, 8, 12, 13, 14, 19 & 39

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION  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

Attachment 4.19-D, page 4, 5, 7 (TN-08-015); page 8, 12,  
13, 14, 19, and 39 (TN-06-003)

9. SUBJECT OF AMENDMENT

Nursing Facility Reimbursement: Change of Ownership (CHOW)

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

Ann H. Landry

13. TITLE

Associate Commissioner

14. DATE SUBMITTED

March 18, 2025

15. RETURN TO

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

**FOR CMS USE ONLY**

16. DATE RECEIVED

March 18, 2025

17. DATE APPROVED

May 29, 2025

**PLAN APPROVED - ONE COPY ATTACHED**

18. EFFECTIVE DATE OF APPROVED MATERIAL

January 1, 2025

19. SIGNATURE OF APPROVING OFFICIAL

20. TYPED NAME OF APPROVING OFFICIAL

Rory Howe

21. TITLE OF APPROVING OFFICIAL

Director, FMG

22. REMARKS

MEDICAL ASSISTANCE	SUBJECT  NURSING FACILITY REIMBURSEMENT	DATE  SR
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POLICY  
(Continued)  
9999

Annual Cost  
Reports  
9999.3

- (6) Allocation statistics which provide information regarding square footage of the facility, meals served by the facility, pounds of laundry done and the cost centers relevant to each;
  - (7) Building and general information which shall include information regarding ownership or rental of the facility;
  - (8) Fixed assets and depreciation which shall include a listing of land, buildings, major movable equipment, and motor vehicles owned by the provider or related parties and the depreciation on these assets;
  - (9) Debt and interest which shall include a listing of NF debt, related party capital debt, and the necessary interest on these debts;
  - (10) Rental expense detail which shall include rental costs for buildings, fixed equipment, other equipment, and motor vehicles;
  - (11) Owner and officer compensation which shall include a statement of compensation and other payments to owners, officers, directors, and trustees including their ownership interest, and average hours per week of work provided to the facility;
  - (12) A financial statement which shall include a balance sheet listing current assets, current liabilities, total equity and changes in equity, cash flow from operating, investing, and financing activities, revenues from inpatient and other operating activities, and a statement of expense and profit or loss;
  - (13) Funded depreciation detail which shall include a listing of fund income and payments;
  - (14) Resident fund which shall include a listing of resident funds received and disbursed, interest earned, and remaining balance; and
  - (15) Staffing pattern which shall include a listing of facility staff, consultants and contract staff, hours worked by position, and total salaries or other compensation paid.
- (c) The "Medicaid Annual Cost Report" and all accompanying documents shall bear original signatures of the NF administrator or owner and paid third party preparer. All accompanying documents and original signatures shall be mailed when the Medicaid Annual Cost Report is filed electronically.
- (d) A signed copy of the "Medicaid Annual Cost Report" form and one duplicate copy shall be submitted electronically or mailed to: NH Department of Health and Human Services:

Bureau of Program Integrity  
Financial Compliance Unit  
105 Pleasant Street  
Concord, NH 03301-3843

MEDICAL ASSISTANCE	SUBJECT  NURSING FACILITY REIMBURSEMENT	DATE  SR
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POLICY  
(Continued)  
9999

Annual Cost  
Reports  
9999.3

- (e) A complete annual cost report shall be submitted:
- (1) No later than 3 months after the end of the facility's fiscal year, unless an extension has been granted by the department as described in (p) below. Home office costs shall be documented by the submission to the department of HCFA Form 287-92, Chain Home Office Cost Statement, no later than 5 months after the end of the home office fiscal year, unless an extension has been granted by the department as described in (p) below; or
  - (2) By the former owner of the NF within 90 calendar days of the sale of the NF when a change of ownership occurs.
- (f) Home office costs shall be documented by the submission to the department of HCFA Form 287-92, Chain Home Office Cost Statement and necessary schedules (D,E,F and G) as requested, no later than 5 months after the end of the home office fiscal year, unless an extension has been granted by the department as described in (p) below.
- (g) The department shall consider that an annual cost report is complete unless the cost report is missing information of a material nature so as to render the document unusable for the purpose of determining a per diem rate.
- (h) Any facility which submits an incomplete annual cost report shall be subject to penalties described in (q) below, unless an extension has been granted as described in (o) below.
- (i) An acceptable cost report shall reflect the most recent desk audit or field audit adjustments made to the previous year's cost report, if applicable, with the exception of items still under appeal that have not been resolved.
- (j) The department shall notify the NF of an incomplete annual cost report within 30 days of receipt of the report.
- (k) The time frame for submitting a complete cost report as described in He-E 806.03 shall not change due to an incomplete report submitted by an NF.
- (l) Failure to submit an annual cost report or a complete annual cost report as required shall result in penalties as stated in (q) below, unless an extension has been granted by the department as described in (o) below.
- (m) NF's which have separate arrangements for caring for residents with different levels of care needs shall segregate their operational costs on the same annual cost report form.
- (n) NF providers with facilities in more than one location shall submit separate balance sheets for each location.

MEDICAL ASSISTANCE	SUBJECT  NURSING FACILITY REIMBURSEMENT	DATE  SR
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POLICY  
(Continued)  
9999

Annual Cost  
Reports  
9999.3

- (5) The commissioner of the department shall have the discretion to waive the penalties as stated above.
- (r) When a complete annual cost report has been submitted by the NF provider, the department shall conduct a desk review of the report and conduct a field audit as well if the NF meets one of the conditions for a field audit as described in (s) below.
- (s) A field audit shall be conducted as part of the review of the annual cost report in accordance with MAM 9999.6 if the NF meets one or more of the following conditions:
  - (1) The NF has been newly constructed or has had major capital improvements in the past year;
  - (2) There are items on the annual cost report which need further clarification or investigation as determined by the department; or
  - (3) A field audit has not been conducted on the NF during the previous 5 state fiscal years.
- (t) Based on the desk review or field audit, the department shall determine allowable costs and facility compliance in accordance with the provisions of MAM 9999.
- (u) The department shall send a notice to the NF provider of the result of the desk review or field audit which shall include:
  - (1) A listing of all adjustments to submitted costs on the cost report, if any, as determined by the department as described in (s) above; and
  - (2) The provider's right to a reconsideration and an administrative appeal in accordance with MAM 9999.11.
- (v) The department shall reopen cost reports only as a result of field adjustments by department staff or in the case of fraud.
- (w) Cost reports/Field Audits shall be reopened at the request of the provider in the case of an error of a material nature until a rate has been set based on that submitted cost report.

TN No. 25-0002  
Supersedes  
TN No. 08-015

Effective Date: 01/01/2025  
Approval Date: May 29, 2025

MEDICAL ASSISTANCE	SUBJECT  NURSING FACILITY REIMBURSEMENT	DATE  SR
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POLICY  
(Continued)  
9999

Annual Cost  
Reports

9999.3 (x) The initial prospective per diem rate for new facilities, including existing facilities under new ownership, shall be calculated at the average rate for NH facilities until a full year audited cost report is available for inclusion in the rate setting process.

Accounting  
Principals

9999.4 The following accounting principles shall apply:

- (a) The allowable costs shown in all annual cost reports shall follow GAAP and the accrual method of accounting; and
- (b) If a NF maintains its records on a cash basis, then it shall record such accruals as adjustments.

TN No. 25-0002  
Supersedes  
TN No. 06-003

Effective Date: 01/01/2025  
Approval Date: May 29, 2025

MEDICAL ASSISTANCE	SUBJECT  NURSING FACILITY REIMBURSEMENT	DATE  SR
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POLICY  
(Continued)  
9999

Guidelines  
For Allowable/  
Non-Allowable  
Costs  
9999.7

(b) Depreciation of Equipment and Property

Depreciation of equipment and property which has a purchase price of over \$1000.00 shall be an allowable cost pursuant to the following conditions:

(1) The depreciation shall be:

- (a) Identifiable and recorded in the NF provider's accounting records;
- (b) Based on the historical cost of the asset or fair market value at the time of donation in the case of donated assets; and
- (c) Prorated over the estimated useful life of the asset using the straight line method and the guideline lives specified in the American Hospital Association "Useful Lives of Depreciable Hospital Assets" -, the most current edition.



MEDICAL ASSISTANCE	SUBJECT  NURSING FACILITY REIMBURSEMENT	DATE  SR
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POLICY  
(Continued)  
9999

Guidelines  
For Allowable/  
Non-Allowable  
Costs  
9999.7

- (2) Recording of the depreciation pursuant to (a)(1) above shall encompass:
- (a) The identification of the depreciable asset in use;
  - (b) The asset's historical cost;
  - (c) The method of depreciation;
  - (d) The estimated useful life of the asset; and
  - (e) The asset's accumulated depreciation;

TN No. 25-0003  
Supersedes  
TN No. 06-003

Effective Date: 01/01/2025  
Approval Date: May 29, 2025

MEDICAL ASSISTANCE	SUBJECT  NURSING FACILITY REIMBURSEMENT	DATE  SR
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POLICY  
(Continued)  
9999

Guidelines  
For Allowable/  
Non-Allowable  
Costs  
9999.7

(c) Leased Facility and Equipment.

Leasing arrangements for property shall be an allowable cost pursuant to the following conditions:

- (1) Rent expense on facilities and equipment leased from a related organization shall be limited by substituting the lower of the following:
  - (a) The actual interest, depreciation, and taxes incurred for the year under review; or
  - (b) The price of comparable services or facilities purchased elsewhere;

TN No. 25-0002  
Supersedes  
TN No. 06-003

Effective Date: 01/01/2025  
Approval Date: May 29, 2025

MEDICAL ASSISTANCE	SUBJECT  NURSING FACILITY REIMBURSEMENT	DATE  SR
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POLICY  
(Continued)  
9999

Guidelines  
For Allowable/  
Non-Allowable  
Costs  
9999.7

f. Cost of educational activities

- (1) The net cost of educational activities as approved by the entity, agency, or board having jurisdiction over the activity, shall be an allowable cost.

(a) Definitions

(i) Approved educational activities

Approved educational activities means formally organized or planned programs of study usually engaged in by providers in order to enhance the quality of patient care in a facility or to improve the administration of the facility. These activities must be licensed where required by state law.

(ii) Net Cost

The net cost means the cost of approved educational activities less any reimbursement from grants, tuition and specific donations.

- (2) Orientation, on-the-job training and in-service programs shall not be considered to be approved educational activities for reporting purposes.

g. Research costs

Costs incurred for research purposes shall not be included as allowable costs.

h. Non-paid workers

If a worker does not receive remuneration for services which he/she provides on behalf of the NF, any costs to the employer such as meals and uniforms for the worker, shall be an allowable cost.

Attachment 4.19D		ITEM B	PAGE 39
MEDICAL ASSISTANCE	SUBJECT  NURSING FACILITY REIMBURSEMENT	DATE  SR	

Appeals  
Procedure  
9999.11

a. Reconsideration of Cost Report Adjustments

- (1) There shall be two levels for appeal of cost report adjustments as described in MAM 9999.3 (s) and (t) as follows:
  - (a) A reconsideration by the department, through the bureau of program integrity, as described in (2) through (6) below; and
  - (b) An administrative appeal as specified in MAM 9999.11(b).
- (2) Providers may use either or both the reconsideration of costs reports adjustment as outlined in 9999.11(a) and the appeal process as outlined in 9999.11(b).
- (3) A NF provider may request reconsideration of the proposed cost report adjustment(s) within 60 calendar days of the date of notification of the rate adjustments as described in MAM 9999.3 by submitting a request for reconsideration to:
 

NH Department of Health and Human Services  
Bureau of Program Integrity  
Financial Compliance Unit  
Main Building  
105 Pleasant Street  
Concord, NH 03301-3843
- (4) The NF provider shall submit a statement as to why the request for reconsideration is being made and may submit any new or additional information that he/she wishes the bureau of program integrity to consider.
- (5) At the request of the NF provider, the reconsideration may be conducted by the bureau of program integrity as an informal meeting between the NF provider and the bureau of program integrity, or as a review by the bureau of program integrity of the information described in (6) (a) and (a) below.
- (6) The bureau of program integrity shall make decisions on the reconsideration based on:
  - (a) A review of all information submitted by the NF provider; and
  - (b) A review of the cost report adjustments proposed by the department to determine the accuracy of the adjustments.
- (7) The bureau of program integrity shall send a written decision of the reconsideration to the NF provider within 10 business days of the review.
- (8) If the provider disagrees with the decision rendered by the bureau of program integrity, the provider may utilize the administrative appeals process in accordance with MAM 9999.11(b).