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**State Territory Name: New Hampshire**

**State Plan Amendment (SPA) #: NH-25-0018**

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**

December 18, 2025

Henry Lipman, Commissioner  
Department of Health and Human Services  
129 Pleasant St.  
Concord, NH 03301

RE: New Hampshire State Plan Amendment Transmittal Number 25-0018

Dear Commissioner Lipman:

The Centers for Medicare & Medicaid Services (CMS) has reviewed the proposed New Hampshire state plan amendment (SPA) to Attachment 4.19-A NH-25-0018, which was submitted to CMS on September 29, 2025. This plan amendment continues the suspension of direct graduate medical education (DME) payments, indirect graduate medical education (IME) payments, and catastrophic aid payments to hospitals.

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, 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

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b> <b>FOR: CENTERS FOR MEDICARE &amp; MEDICAID SERVICES</b>		1. TRANSMITTAL NUMBER <u>2</u> <u>5</u> — <u>0</u> <u>0</u> <u>1</u> <u>8</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 <p>July 1, 2025</p>	
5. FEDERAL STATUTE/REGULATION CITATION <p>Section 1923 of the Social Security Act and 42 CFR Part 447</p>		6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars) a. FFY <u>2025</u> \$ <u>0</u> b. FFY <u>2026</u> \$ <u>0</u>	
7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT <p>Attachment 4.19-A, Page 2.1 Attachment 4.19-A, Page 3 Attachment 4.19-A, Page 4</p>		8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) <p>Attachment 4.19-A, Page 2.1 (TN 24-0028) Attachment 4.19-A, Page 3, (TN 24-0028) Attachment 4.19-A, Page 4, (TN 24-0028)</p>	
9. SUBJECT OF AMENDMENT <p>Continued Suspension of DME, IME, and Catastrophic Aid Payments</p>			
10. GOVERNOR'S REVIEW (Check One) <div><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</div> <div><input checked="" type="radio"/> OTHER, AS SPECIFIED:</div>			
Signed by: [Redacted] 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			
13. TITLE Associate Commissioner			
14. DATE SUBMITTED September 29, 2025			
FOR CMS USE ONLY			
16. DATE RECEIVED September 29, 2025		17. DATE APPROVED December 18, 2025	
PLAN APPROVED - ONE COPY ATTACHED			
18. EFFECTIVE DATE OF APPROVED MATERIAL July 1,2025		19. SIGNATURE OF APPROVING OFFICIAL [Redacted]	
20. TYPED NAME OF APPROVING OFFICIAL Rory Howe		21. TITLE OF APPROVING OFFICIAL Director, FMG	
22. REMARKS <p>Governor comments, if any, will follow</p>			

- (1) For in-state hospitals only, direct medical education costs shall be paid at a rate proportional to the Medicaid share, as calculated using Medicare principles, of actual hospital-specific costs and proportional to each hospital's share of the Medicaid annual budgeted amount. Such payments shall be made semi-annually, except that direct medical education payments shall be suspended for the period beginning July 1, 2025 and ending June 30, 2027.
- (2) Day outliers shall be paid on claims for children who have not attained the age of six years, for all DRGs for all facilities on a per diem basis, at 60% of the calculated per diem amount (see 3.c. for calculation), and outlier payments shall be added to the DRG payments. Payment shall be made for medically necessary days in excess of 300% of the geometric length of stay associated with a given DRG. Medicare geometric mean length of stay shall be used except where New Hampshire-specific trim points have been established.
- (3) The Medicare deductible amount for patients who are Medicare/Medicaid (dually) eligible shall be recognized and paid.

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Supersedes

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- (4) For only in-state hospitals with approved graduate medical education programs, indirect medical education costs (IME) shall be recognized and paid on a per discharge basis using the Medicare methodology at 42 CFR 412.105 to determine the amount of payment. Such payment shall be added to the DRG payment, except that IME payments shall be suspended for the state fiscal year 2025-2027 biennium.
- (5) There shall be a reserve "catastrophic" fund equal to 3.3 percent of the projected annual Medicaid inpatient hospital expenditures.

This fund shall be used to provide for payments for inpatient hospital services outside the DRG system where (a) the DRG payment plus third party liability is below 25% of hospital charges, (b) the claim is for a DRG weight greater than 4.0, (c) the claim involves an inpatient stay in excess of 30 days, and (d) the hospital requests additional funding.

Reimbursement for each request shall be limited to 65% of charges reduced by prior payments, DRG allowed amounts and third party liabilities. Hospitals shall submit claims by December 15 and June 15 in order to be considered for payment for the six-month period ending, respectively, December 31 and June 30 of each year. The state shall expend half of the catastrophic fund no later than December 31 of each year and the second half no later than June 30 of each year. However, catastrophic payments will be suspended for the state fiscal year 2025-2027 biennium. Payment of eligible claims shall be determined by computing the total dollar amount of all hospitals' requests, determining each requesting hospital's total dollars requested as a percent of all requests, and applying that percent to the amount of money in the catastrophic fund in order to calculate payment to that hospital. No claims or portions of claims shall be carried over into the subsequent six-month period, nor shall any excess funds be carried over into the subsequent six-month period.

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c. The calculations for DRGs are as follows:

(1) The Department separates inpatient hospital providers into peer groups according to the intensity of care provided in each. The peer groups are set up for general acute care; critical access hospitals (CAH); distinct part units for psychiatric care; Psych Atypical distinct part unit; Designated Receiving Facility (DRF); rehabilitative care; and maternity care in the northern county. The Department sets a base rate (Price per Point) for each peer group. The Price per Point values for hospital peer groups are accessible at [www.nhmmis.nh.gov](http://www.nhmmis.nh.gov), under the “documents and forms” tab under “documentation.”

(2) The current Price per Point rates are as follows:

Acute Care =	\$7,001.60	Atypical Psychiatric DPU =	\$7,701.76
Critical Access Hospital =	\$7,351.68	Psychiatric DRF =	\$14,400.00
Out-of-State Hospital =	\$6,497.77	Rehabilitation =	\$15,428.86
Psychiatric DPU =	\$7,351.68	Coos County CAH Maternity =	\$10,037.37

(3) Psych Atypical DPU Price per Point rate is for psychiatric distinct part unit stays that will have a relative weight of 1.2 or greater due to the higher acuity level of care required based on the ICD Diagnosis. Psych DPU Price per Point rate is for psychiatric distinct part unit stays that have a relative weight under 1.2 with a lower acuity Diagnosis. DRF Price per Point rate is for DRGs billed by psychiatric DRFs.

(4) DRG reimbursement is calculated by multiplying the Price per Point for the appropriate peer group times the relative weight assigned to the DRG. Rehabilitation DRGs have a relative weight of 1.

(5) The per diem price associated with a given DRG shall be calculated by dividing the price for that DRG by the geometric mean length of stay associated with that DRG.

- 4. Direct medical education costs shall be allowed as a pass through payment in accordance with Department guidelines, which shall be based on Medicare guidelines established at 42 CFR 412.2, except that direct medical education pass through payments shall be suspended for the period beginning July 1, 2025 and ending June 30, 2027.
- 5. Day outliers shall be reimbursed on a per diem DRG payment in accordance with 3.b.(2). Cost outliers shall not be recognized nor reimbursed. (Also, see 3.b.(2) and 3.c. for day outliers.)
- 6. Periodic interim payments as made under the Medicare Program shall not be made by the Medicaid Program.
- 7. Pricing shall be prospective, and payment shall be retrospective.
- 8. Payment rates shall be based on the relative weights and payment rates in effect at the time of discharge, taking into account the requirement to pay the lesser of the usual and customary charge or the computed rate, in accordance with 42 CFR 447.271 and RSA 126-A:3.
- 9. Providers of hospital services shall make quarterly refunds of Medicaid payments that are in excess of the Medicaid-allowed amounts.