

## **Table of Contents**

**State/Territory Name: NV**

**State Plan Amendment (SPA) #: 23-0018**

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  
Center for Medicaid & CHIP Services  
233 North Michigan Ave., Suite 600  
Chicago, Illinois 60601



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**Financial Management Group**

November 28, 2023

Stacie Weeks, Administrator  
Nevada Division of Health Care Financing and Policy  
1210 S. Valley View, Suite 105  
Las Vegas, NV 89702

RE: TN 23-0018

Dear Administrator Weeks:

We have reviewed the proposed Nevada State Plan Amendment (SPA) to Attachment 4.19-B NV-23-0018, which was submitted to the Centers for Medicare & Medicaid Services (CMS) on August 31, 2023. This SPA authorizes a supplemental payment up to the annual Upper Payment Limit (UPL) room for private outpatient hospital services.

Based upon the information provided by the State, we have approved the amendment with an effective date of July 1, 2023. 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 Blake Holt at 303-844-6218 or [blake.holt@cms.hhs.gov](mailto:blake.holt@cms.hhs.gov).

Sincerely,

A black rectangular box redacting the signature of Todd McMillion.

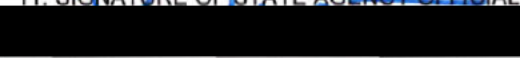
Todd McMillion  
Director  
Division of Reimbursement Review

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>3</u> — <u>0</u> <u>0</u> <u>1</u> <u>8</u>	2. STATE <u>NV</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 <b>July 1, 2023</b>	
5. FEDERAL STATUTE/REGULATION CITATION <u>Section 1902(a)(30)(A) of SSA, 42 CFR 447 Subpart C</u>	6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars) a. FFY <u>2023</u> \$ <u>10,374,204</u> <b>11,316,797</b> b. FFY <u>2024</u> \$ <u>29,269,109</u> <b>31,928,479</b>	
7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT <u>Attachment 4.19-B, page 20a</u>	8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) <u>N/A</u>	

9. SUBJECT OF AMENDMENT <u>New Outpatient FFS UPL supplemental payment for qualifying hospitals</u>
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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:
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11. SIGNATURE OF STATE AGENCY OFFICIAL 	15. RETURN TO Sandie Ruybalid, Deputy Administrator DHCFP/Medicaid 1100 East William Street, Suite 101 Carson City, NV 89701
12. TYPED NAME RICHARD WHITLEY	
13. TITLE DIRECTOR, DHHS	
14. DATE SUBMITTED August 30, 2023	

FOR CMS USE ONLY	
16. DATE RECEIVED August 31, 2023	17. DATE APPROVED November 28, 2023

PLAN APPROVED - ONE COPY ATTACHED	
18. EFFECTIVE DATE OF APPROVED MATERIAL July 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  11/12/23: State concurs with pen and ink changes to Box 6.
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**UPPER PAYMENT LIMIT SUPPLEMENTAL PAYMENTS FOR OUTPATIENT SERVICE AT PRIVATE HOSPITALS**

In order to preserve access to outpatient hospital services for needy individuals in the state of Nevada, effective July 1, 2023, the state's Medicaid reimbursement system shall provide for certain upper payment limit (UPL) supplemental payments to all qualifying private hospitals. These supplemental payments shall be determined on an annual basis and paid to qualifying private hospitals on a quarterly basis. The supplemental payments are for Medicaid fee-for-service outpatient hospital services. The supplemental payments shall not exceed, when aggregated with other payments made to private hospitals, 100% of a reasonable estimate of the amount that would be paid for such services under Medicare payment principles for private hospitals (i.e., the UPL).

**1. Eligibility**

All private hospitals in the State of Nevada are eligible to receive an Outpatient Hospital UPL supplemental payment.

**2. Methodology**

The state will calculate the aggregate difference between Medicaid payments for outpatient hospital services made under all other provisions of the state plan and the UPL for such services. Cost report data and Medicaid claims data trended utilizing the CMS Medicare Outpatient Hospital PPS Market Basket rate from the base year to the payment year (demonstration year), will be used as the estimate for the UPL. Medicaid payments used to calculate the aggregate difference will be trended utilizing the CMS Medicare Outpatient Hospital PPS Market Basket rate from the base year to the payment year (demonstration year).

The annual payment amount for each hospital is calculated as follows:

- a. First, the state will calculate the aggregate difference between outpatient Medicaid payments paid under the state plan and the UPL for all private hospitals.
- b. Second, each hospital will receive a share of the amount calculated in (1) above based on paid outpatient fee-for-service (FFS) Medicaid claims. For purposes of this calculation, the outpatient FFS Medicaid claims paid are weighted for a Critical Access Hospital (CAH) by a factor of 2.3 and for a Sole Community Hospital by 1.15. Each remaining hospital will receive a share of the remaining funds based on that hospital's proportion of the total number of Medicaid claims paid for outpatient FFS for all non-CAH private hospitals during the year used for the UPL demonstration.
- c. If the total calculated amount to be paid to all eligible hospitals exceeds the estimated aggregate UPL, the payment to each hospital will be reduced by a proportional amount.

The annual payment amount will be paid in four equal quarterly amounts at the end of each quarter. However, for fiscal year 2024, the payment amount and timing will vary depending on SPA approval.