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State/Territory Name: WI

State Plan Amendment (SPA) #: 23-0004

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



Financial Management Group/ Division of Reimbursement Review

June 16, 2023

Jamie Kuhn,
Department of Health Services
1 W. Wilson St.
P.O. Box 309
Madison, WI 53701-0309

RE: Wisconsin State Plan Amendment TN: #23-0004

Dear Director Kuhn,

We have reviewed the proposed Wisconsin State Plan Amendment (SPA), TN: #23-0004 which was submitted to the Centers for Medicare & Medicaid Services (CMS) on March 29, 2023. This SPA implements Wisconsin's yearly increase to hospital rates. Specifically, this SPA modifies the outpatient Enhanced Ambulatory Patient Grouping Reimbursement Methodology to create a new outpatient payment per visit add-on for outpatient dental services where deep sedation is provided.

Based upon the information provided by the State, we have approved the amendment with an effective date of January 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 Matthew Klein at 214-767-4625 or matthew.klein@cms.hhs.gov

Sincerely,

A solid black rectangular box used to redact the signature of Todd McMillion.

Todd McMillion
Division of Reimbursement Review Director

Enclosures

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES	1. TRANSMITTAL NUMBER <u>2 3 — 0 0 0 4</u>	2. STATE <u>WI</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 <u>01/01/23</u>	
5. FEDERAL STATUTE/REGULATION CITATION <u>42 CFR Part 447 Subpart C and F</u>	6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars) a. FFY <u>2023</u> \$ <u>727,500</u> b. FFY <u>2024</u> \$ <u>915,252</u>	
7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT <u>State Plan Attachment 4.19-B: Page 8</u>	8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) <u>Same</u> <u>Supersedes 22-0005</u>	

9. SUBJECT OF AMENDMENT

Outpatient Hospital Reimbursement Modification – Dental Sedation.

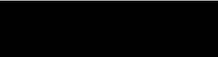
10. GOVERNOR'S REVIEW (Check One)

- 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
Jamie Kuhn

13. TITLE
Medicaid Director

14. DATE SUBMITTED
03/29/23

15. RETURN TO

Bailey Dvorak
State Plan Amendment Coordinator
Department of Health Services
1 W. Wilson St.
P.O. Box 309
Madison, WI 53701-0309

FOR CMS USE ONLY

16. DATE RECEIVED
03/29/23

17. DATE APPROVED
June 16, 2023

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL
01/01/2023

19. SIGNATURE OF APPROVING OFFICIAL



20. TYPED NAME OF APPROVING OFFICIAL
Todd, McMillion

21. TITLE OF APPROVING OFFICIAL
Director, Division of Reimbursement and Review

22. REMARKS

4230 Calculating Final EAPG Payment. Each line of an outpatient hospital claim is assigned to an EAPG and therefore has a distinct weight. These weights are multiplied by the hospital's specific EAPG base rate. The total reimbursement for an outpatient hospital claim is the sum of these multiplications, with the following exceptions:

- Clinical Diagnostic Laboratory Services are paid on a fee schedule basis.

4240 Exclusions from the EAPG Reimbursement System. The following services are not included within the EAPG reimbursement system:

- Therapy Services
- Clinical Diagnostic Laboratory Services
- Durable Medical Equipment (DME)
- Provider-Based End Stage Renal Disease (ESRD) Services

4250 Outpatient Access Payment. To promote WMP member access to acute care, children's, rehabilitation, and critical access hospitals throughout Wisconsin, the WMP provides a hospital access payment amount per eligible outpatient FFS claim. Access payments are intended to reimburse hospital providers based on WMP volume. Therefore, the payment amounts per claim are not differentiated by hospital based on acuity or individual hospital cost. However, critical access hospitals receive a different access payment per claim than do acute care, children's, and rehabilitation hospitals.

The amount of the hospital access payment per claim is based on an available funding pool appropriated in the state budget and aggregate hospital UPLs. This amount of funding is divided by the estimated number of paid outpatient FFS claims for the SFY to develop the per claim access payment rate.

The access payment per claim amounts are effective for dates of service on or after July 1, 2018 and are identified on the hospital reimbursement rate web page of the Wisconsin ForwardHealth Portal here:

https://www.forwardhealth.wi.gov/wiportal/content/provider/medicaid/hospital/resources_01.htm.spage. This payment per claim is in addition to the EAPG base payment described in §4230. Access payments per claim are only provided until the FFS access payment funding pool amount has been expended for the SFY.

Access payments are subject to the same federal UPL standards as base rate payments, described in 42 CFR §447.321. Access payment amounts are not interim payments and are not subject to settlement. Psychiatric hospitals are not eligible for access payments because of the unique rate setting methods used to establish rates for those hospitals.

4260 Outpatient Dental Add-on Payment. The Department provides an outpatient per visit add-on of \$700 (in addition to the EAPG payment) for outpatient dental services where deep sedation is provided. Claims qualifying for the add-on payment will be acute hospital claims billing procedure code 41899 with modifier U2 to indicate sedation.