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State/Territory Name: New Hampshire

State Plan Amendment (SPA) #: NH-22-0042

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

November 10, 2022

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

RE: New Hampshire 22-0042

Dear Commissioner Shibinette:

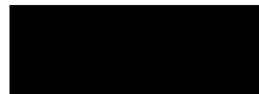
We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 22-0042. Effective July 1, 2022, this amendment increases inpatient hospital rates for neonatal and birthing-related services.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30), 1903(a), and 1923 of the Social Security Act and the implementing Federal regulations at 42 CFR 447 Subpart C. This is to inform you that Medicaid State plan amendment TN 22-0042 is approved effective July 1, 2022. The CMS-179 and the amended plan page(s) are attached.

Please note that our approval relates only to the requested change in payment methodology and that the resultant rates and related expenditures are consistent with section 1902(a)(30)(A) of the Act. CMS may still have questions on the funding structure in determining it's consistent with sections 1902(a)(2), 1903(a), and 1903(w) of the Act as implemented by 42 CFR §433.54. Approval of the subject SPA does not relieve the state of its responsibility to comply with federal laws and regulations, and to ensure that claims for federal funding are consistent with all applicable requirements. On April 2, 2021, CMS issued a letter on the New Hampshire Granite Advantage Health Care Trust Fund, in companion to the approval of New Hampshire's Medicaid managed care state directed payment preprints. The letter requested additional information to allow CMS to further review the state's sources of non-federal share financing of the Medicaid adult expansion population. The state responded to the letter on May 28, 2021, and CMS will continue to review the funding structure in question based on the state's response. The result of the review may also be applicable to the expenditures related to the payments authorized in this SPA.

If you have any additional questions or need further assistance, please contact Mark Wong at (415) 744-3561 or mark.wong@cms.hhs.gov.

Sincerely,



Rory Howe
Director

Enclosures

DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICES

FORM APPROVED
OMB No. 0938-0193

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL

FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES

1. TRANSMITTAL NUMBER: 2 2 — 0 0 4 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: July 1, 2022

5. FEDERAL STATUTE/REGULATION CITATION
Title 19 of the Social Security Act and 42 CFR 447 Payment for Services

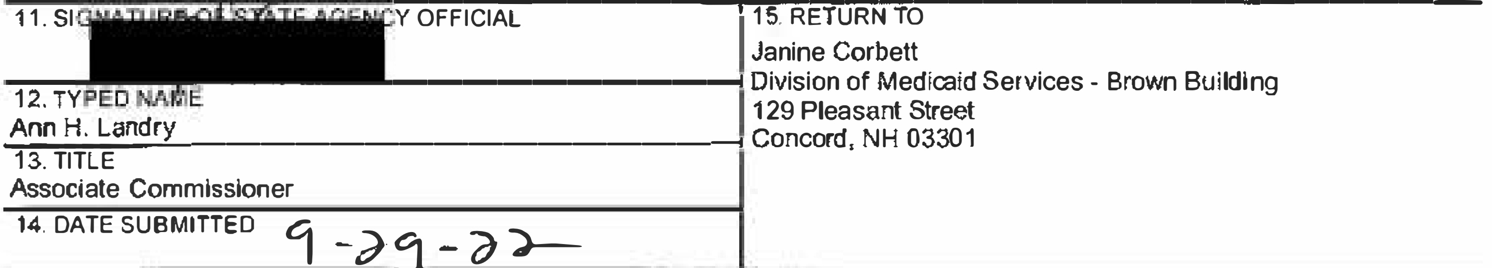
6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)
a. FFY 2022 $ 90,701
b. FFY 2023 $ 362,805

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT
Attachment 4.19-A, Page 2
Attachment 4.19-A, Page 2.1
Attachment 4.19-A, Page 4

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT *(If Applicable)*
Attachment 4.19-A, Page 2 (21-0054)
Attachment 4.19-A, Page 4 (21-0039)

9. SUBJECT OF AMENDMENT
Hospital-Based Birthing Services Rate Increase

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 9-29-22

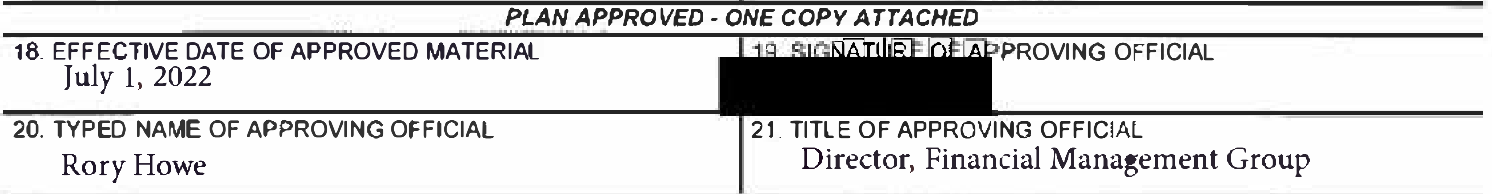
15. RETURN TO
Janine Corbett
Division of Medicaid Services - Brown Building
129 Pleasant Street
Concord, NH 03301

FOR CMS USE ONLY

16. DATE RECEIVED
September 29, 2022

17. DATE APPROVED
November 10, 2022

PLAN APPROVED - ONE COPY ATTACHED



18. EFFECTIVE DATE OF APPROVED MATERIAL
July 1, 2022

19. SIGNATURE OF APPROVING OFFICIAL

20. TYPED NAME OF APPROVING OFFICIAL
Rory Howe

21. TITLE OF APPROVING OFFICIAL
Director, Financial Management Group

22. REMARKS

Comments, if any, will follow.

FORM CMS-179 (09/24)

Instructions on Back

(3) Birthing and neonatal-related services shall include the following enhancements to the rates:

(i) In order to ensure recipient access to maternity services, critical access hospitals in Coos County in New Hampshire will be paid as a separate Maternity peer group at an enhanced rate for those services by applying a percentage multiplier of 300% to the DRG based payment. The Maternity Price per Point in (d)(2) is prior to application of the 300% multiplier. The 300% multiplier is in addition to the increases in subparagraphs (ii) and (iii) below. These DRG codes are identified on the fee schedule accessible at www.nhmmis.nh.gov, under the "documents and forms" tab under "documentation."

(ii) Neonatal care for Medicaid discharges assigned certain DRGs (DRG 789 through 794) shall be paid only a per diem rate (with no additional outlier payments) associated with the specific DRG. The rate shall be paid at 65% of the full per diem amount. Effective July 1, 2022, the neonatal-related services will be paid by applying a 125% multiplier to the rates.

(iii) Effective July 1, 2022, birthing-related services DRGs will be paid by applying a multiplier, representing a 25% increase in the aggregate, to the rates. These DRG codes and specific multipliers are identified in the table below:

DRG	Description	CAH % Multiplier	Non-CAH % Multiplier
768	VAGINAL DELIVERY WITH O.R. PROCEDURES EXCEPT STERILIZATION AND/OR D&C	134%	124%
783	CESAREAN SECTION WITH STERILIZATION WITH MCC	134%	124%
784	CESAREAN SECTION WITH STERILIZATION WITH CC	134%	124%
785	CESAREAN SECTION WITH STERILIZATION WITHOUT CC/MCC	134%	124%
786	CESAREAN SECTION WITHOUT STERILIZATION WITH MCC	134%	124%
787	CESAREAN SECTION WITHOUT STERILIZATION WITH CC	134%	124%
788	CESAREAN SECTION WITHOUT STERILIZATION WITHOUT CC/MCC	134%	124%
795	NORMAL NEWBORN	134%	124%
796	VAGINAL DELIVERY WITH STERILIZATION AND/OR D&C WITH MCC	134%	124%
797	VAGINAL DELIVERY WITH STERILIZATION AND/OR D&C WITH CC	134%	124%
798	VAGINAL DELIVERY WITH STERILIZATION AND/OR D&C WITHOUT CC/MCC	134%	124%
805	VAGINAL DELIVERY WITHOUT STERILIZATION OR D&C WITH MCC	134%	124%
806	VAGINAL DELIVERY WITHOUT STERILIZATION OR D&C WITH CC	134%	124%
807	VAGINAL DELIVERY WITHOUT STERILIZATION OR D&C WITHOUT CC/MCC	134%	124%

(iv) In-state hospitals shall receive a $75 payment for each live birth in order to support genetic testing conducted after a live birth.

b. Certain costs over and above normal hospital operating costs shall be recognized and paid in addition to the DRG payments made under 3.a. above. These payments shall be made as pass-through payments to individual hospitals. Except where specifically noted otherwise, such payments shall apply to all hospitals—in-state, border, and out-of-state.

(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, 2021 and ending June 30, 2023.

(2) Day outliers shall be paid (except as specified in 3.a.(3) and (4)) for all DRGs for all facilities on a per diem basis, at 60% of the calculated per diem amount (see 3.d. for calculation), and outlier payments shall be added to the DRG payments. Payment shall be made for medically necessary days in excess of the trim point associated with a given DRG. Medicare trim points shall be used except where New Hampshire–specific trim points have been established. However, day outlier payments shall be suspended beginning with March 1, 2010 discharge dates, except that this suspension shall not apply to claims for infants who have not attained the age of one year, and to claims for children who have not attained the age of six years.

(3) The Medicare deductible amount for patients who are Medicare/Medicaid (dually) eligible shall be recognized and paid.

d. Other relevant calculations:

(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, under the "documents and forms" tab under "documentation."

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

Acute Care	=	$ 3,011.21
CAH	=	$ 3,345.79
Psych DPU	=	$ 3,310.07
Psych Atypical DPU	=	$ 6,134.00
Psych DRF	=	$ 14,400.00
Rehab	=	$ 15,428.86
Maternity	=	$ 3,345.79

(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.

(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, 2021 and ending June 30, 2023.

5. Day outliers shall be reimbursed on a per diem DRG payment unless payment is suspended in accordance with 3.b.(2). Cost outliers shall not be recognized nor reimbursed. (Also, see 3.b.(2) and 3.d. 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.