

Table of Contents

State/Territory Name: Maine

State Plan Amendment (SPA) #: 19-0022

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

March 19, 2020

Jeanne Lambrew, Commissioner
Department of Health and Human Services
221 State Street
Augusta, Maine 04333-0011

Reference: TN 19-0022-A

Dear Commissioner Lambrew:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 19-0022-A. This inpatient hospital (IPH) SPA increases supplemental pool amounts for privately owned hospitals. The amendment also clarifies and changes the based year used to calculate distribution of payment from each pool from 2014 to 2016.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30), 1923 and 1903(a) 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 19-0022-A is approved effective November 14, 2019. The CMS-179 and the amended plan page(s) are attached.

If you have any additional questions or need further assistance, please contact Novena James-Hailey at (617) 565-1291 or Novena.JamesHailey@cms.hhs.gov.

Sincerely,



Kristin Fan
Director

Enclosures

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**

FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES

1. TRANSMITTAL NUMBER
19-0022 A

2. STATE
Maine

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL
SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR
CENTERS FOR MEDICARE & MEDICAID SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE
11/14/2019

5. TYPE OF PLAN MATERIAL (*Check One*)

NEW STATE

AMENDMENT TO BE CONSIDERED AS NEW PLAN

AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (*Separate transmittal for each amendment*)

6. FEDERAL STATUTE/REGULATION CITATION
42 CFR 447.205

7. FEDERAL BUDGET IMPACT

a. FFY **2020** \$ **10,295,792**

b. FFY **2021** \$ **10,496,473**

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT
Attachment 4.19-a, page 7
Attachment 4.19-a, page 8

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (*If Applicable*)
Attachment 4.19-a, page 7
Attachment 4.19-a, page 8

10. SUBJECT OF AMENDMENT

Adjustment to the inpatient supplemental pool

11. 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:

**Michelle Probert, Director,
MaineCare Services**

12. SIGNATURE OF STATE AGENCY OFFICIAL

13. TYPED NAME

Michelle Probert

14. TITLE

Director, MaineCare Services

15. DATE SUBMITTED

12/27/2019

16. RETURN TO:

**Michelle Probert
Director, MaineCare Services
#11 State House Station
109 Capitol Street
Augusta, Maine 04333-0011**

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED

18. DATE APPROVED **March 19, 2020**

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL

November 14, 2019

20. SIGNATURE OF REGIONAL OFFICIAL

21. TYPED NAME

Kristin Fan

22. TITLE

Director, FMG

23. REMARKS

Inpatient Hospital Services Detailed Description of Reimbursement

The Department of Health and Human Services' total annual inpatient obligation to the hospitals will be the sum of MaineCare's obligation of the following: inpatient services + days awaiting placement + hospital based physician + direct graduate medical education costs. Third party liability payments are subtracted from the obligation.

These computed amounts are calculated as described below:

A. Inpatient Services

109% of the total MaineCare inpatient operating costs from the most recent interim cost-settled report issued by the Department, inflated to the current state fiscal year. Additionally, a supplemental pool will be allocated on the basis of the hospital's relative share of Medicaid payments for private critical access hospitals only, not those hospitals reclassified to a wage area outside Maine by the Medicare Geographic Classification Review Board or public hospitals. Effective November 14, 2019 the amount will be \$5,613,061. Effective November 14, 2020 the amount will increase to \$5,672,482.

The relative share is defined as:

$$\frac{\text{total Medicaid payments to CAH hospital} \times \text{pool amount}}{\text{total Medicaid payments to all CAH hospitals}}$$

B. MaineCare Member Days Awaiting Placement (OAP) at a Nursing Facility (NF)

Reimbursement will be made prospectively at the estimated statewide average rate per member day for NF services. The Department shall adopt the prospective statewide average rates per member day for NF services that are specified in the 4.19D Principles of Reimbursement for Nursing Facilities. The average statewide rate per member day shall be computed based on the simple average of the N F rate per member day for the applicable State fiscal year(s) and prorated for a hospital's fiscal year.

C. 93.3% of MaineCare's share of inpatient hospital based physician costs + MaineCare's share of graduate medical education costs.

E-2 Prospective Interim Payment (PIP)

The estimated departmental annual inpatient obligation, described above, will be calculated using the most recent MaineCare Supplemental Data Form increased by the rate of inflation to the beginning of the current state fiscal year. Third party liability payments are subtracted from the PIP obligation. The PIP payment does not include DSH payments or the hospital's share of the supplemental pool as described below.

E-3 Interim Adjustment

The State would expect to initiate an interim adjustment under very limited circumstances, including but not limited to, restructuring payment methodology as reflected in the state plan amendment; when a hospital "changes" categories (e.g. becomes designated critical access);

if and when a new population group was made eligible for MaineCare (e.g., the State is contemplating an eligibility expansion to include higher income parents); or a hospital closes or opens and there is a redistribution of patients among facilities.

E-4 Interim Settlement

The Department of Health and Human Services' interim settlement with a hospital is calculated using the same methodology as is used when calculating the PIP, except that the data sources used will be the hospital's as filed cost report and MaineCare paid claims history for the year for which reconciliation is being performed.

E-5 Final Settlement

The Department of Health and Human Services' final settlement with a hospital is calculated using the same methodology as is used when calculating the PIP, except that the data sources used will be the hospital's final cost report from the Medicare fiscal intermediary and MaineCare paid claims history for the year for which settlement is being performed.

F. SUPPLEMENTAL POOL FOR NON CRITICAL ACCESS HOSPITALS, HOSPITALS RECLASSIFIED TO A WAGE AREA OUTSIDE MAINE AND REHABILITATION HOSPITALS

The Department will allocate a supplemental pool for each state fiscal year among the privately owned and operated Acute Care Non-Critical Access hospitals, hospitals reclassified to a wage area outside Maine by the Medicare Geographic Classification Review Board and rehabilitation hospitals. Effective November 14, 2019 the total pool (inpatient and outpatient) shall equal \$80,575,379, up to \$42,481,159 will be allocated to inpatient services. Effective November 14, 2020 the total pool (inpatient and outpatient) shall equal \$80,914,112, up to \$42,819,892 will be allocated to inpatient services. Subject to compliance with all applicable federal rules and payment limits, including 42 CFR 447.271 and 42 CFR 447.272, the amount allocated to inpatient services will not exceed the allowable aggregate upper payment limits. The allocated inpatient pool amount will be distributed based on each hospital's relative share of inpatient MaineCare payments, defined as the hospital's inpatient MaineCare payment in the applicable state fiscal year, divided by inpatient MaineCare payments made to all privately owned and operated Acute Care Non-Critical Access hospitals, hospitals reclassified to a wage area outside Maine by the Medicare Geographic Classification Review Board, and rehabilitation hospitals; multiplied by the supplemental pool. For state fiscal years beginning on or after July 1, 2019 but before July 1, 2021, the hospital's taxable year is the hospital's fiscal year that ended during calendar year 2016.

Each hospital in the pool will receive its relative share of this supplemental payment. Supplemental payments will be distributed semiannually, in November and May. This pool will be decreased by the amount a hospital would have received if that hospital was in the pool when the total pool amount was set and subsequently becomes an approved critical access hospital. This supplemental pool payment is not subject to cost settlement.

G PRIVATE PSYCHIATRIC HOSPITALS

G-1 Department's Inpatient Obligation to the Hospitals

Private owned psychiatric hospitals will be paid weekly prospective interim payments based on the Department's estimate of the total annual obligation to the hospital. The