

Table of Contents

State/Territory Name: Minnesota

State Plan Amendment (SPA) #: 20-0017

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 AND HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-26-12
Baltimore, MD 21244-1850



Financial Management Group

January 14, 2021

Matt Anderson, Medicaid Director
Minnesota Department of Human Services
P.O. Box 64983
St. Paul, MN 55164-0983

RE: Minnesota State Plan Amendment (SPA) 20-0017

Dear Mr. Anderson:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 20-0017. Effective for services on or after October 1, 2020, Minnesota 20-0017 will authorize the Department to provide ongoing interim payments to hospitals eligible to receive the inpatient hospital supplemental payment.

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 regulations at 42 CFR 447 Subpart C. We hereby inform you that Medicaid State plan amendment 20-0017 is approved effective October 1, 2020. We are enclosing the HCFA-179 and the amended plan pages.

If you have any questions, please call Tom Caughey at (517) 487-8598.

Sincerely,

[Redacted Signature]

For
Rory Howe
Acting Director

Enclosure

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTER FOR MEDICARE & MEDICAID SERVICES	1. TRANSMITTAL NUMBER: 20-0017	2. STATE Minnesota
---	-----------------------------------	---------------------------

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

TO: REGIONAL ADMINISTRATOR CENTER FOR MEDICARE & MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES	4. PROPOSED EFFECTIVE DATE 10/1/2020
--	---

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

NEW STATE PLAN 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 440.10	7. FEDERAL BUDGET IMPACT: a. FFY '21 \$0 b. FFY '22 \$0
--	---

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-A, pages 10, 18	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (<i>If Applicable</i>): same
--	---

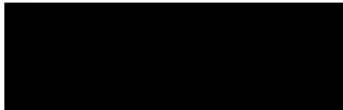
10. SUBJECT OF AMENDMENT:
Interim payments to certain hospitals

11. GOVERNOR'S REVIEW (*Check One*):

GOVERNOR'S OFFICE REPORTED NO COMMENT OTHER, AS SPECIFIED:

COMMENTS OF GOVERNOR'S OFFICE ENCLOSED

NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL: 	16. RETURN TO: Patrick Hultman Minnesota Department of Human Services 540 Cedar Street, PO Box 64983 St. Paul, MN 55164-0983
---	--


13. TYPED NAME:
Patrick Hultman

14. TITLE:
Interim Deputy Medicaid Director

15. DATE SUBMITTED:
10/20/2020

FOR REGIONAL OFFICE USE ONLY	
17. DATE RECEIVED: 10/21/2020	18. DATE APPROVED: 01/14/21

PLAN APPROVED – ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL: 10/1/2020	20.  For
---	--

21. TYPED NAME: Rory Howe	22. TITLE: Acting Director, FMG
------------------------------	------------------------------------

23. REMARKS:

Approved: 01/14/21

Supersedes: 19-11, (18-09,17-08,16-19,15-19,14-15,13-18,13-04,12-25,11-30a,11-22,11-12,11-05,10-23,10-11,09-21,09-13,09-08,09-02,08-10,07-12,07-11,07-03,07-02,05-13,04-15(a),04-02,03-39,03-02,02-28,02-11,02-05,01-25,01-19,01-17,01-01,00-29,00-04,99-23,99-05,98-37,97-42,97-19,97-15,97-03,95-20,95-04,94-18,94-08,93-39,93-33,92-44,92-31,91-17,90-25)

IPPS wage index for the rate year. MSA hospitals use the standard wage index.
Non-MSA hospitals use the rural wage index, but the Frontier State adjustment is not applied.

Wage-adjusted Base Rate =	(Statewide standardized APR-DRG amount multiplied by the labor percentage, multiplied by the applicable wage index) plus the (Statewide standardized APR-DRG amount multiplied by (1.0 minus the labor percentage))
------------------------------	---

A. Labor portion:

- (1) Determine the Statewide standardized APR-DRG amount for the discharge
- (2) Multiply by the product of the labor percentage and the applicable wage index

B. Non-labor portion:

- (1) Determine the Statewide standardized APR-DRG amount for the discharge
- (2) Multiply by the difference between one and the labor percentage

C. Sum the results of A and B.

SECTION 4.1 POLICY ADJUSTMENT FACTOR

Policy Adjustment factors are category-specific adjustments made to the payment. They are defined in terms of APR-DRG Base Groupings and include all SOI Categories. Policy Adjustment factors have a base value of 1.0 unless an adjustment factor has been adopted and indicated below by the Department.

Effective for the discharges on or after November 1, 2014, policy adjustments are applied to the following APR-DRG categories:

- A. Specialty Mental Health: 740, 750, 751,752, 753, 754, 755, 756, 757, 758, 759,760
- A policy adjustment factor of 2.25 will be applied to mental health services delivered in a hospital which has contracted with the Department of Human Services to provide extended mental health services to children under age 21.
- B. Mental Health: 740, 750, 751,752, 753, 754, 755, 756, 757, 758, 759,760
- A policy adjustment factor of 2.03~~2~~ will be applied when the SOI is equal to one.
 - A policy adjustment factor of 2.06 will be applied with the SOI is equal to two.
 - A policy adjustment factor of 1.80 will be applied when the SOI is equal to three.
 - A policy adjustment factor of 1.14 will be applied when the SOI is equal to four.

Approved: 01/14/21

Supersedes: 19-11, (18-09,17-08,16-19,15-19,14-15,13-18,13-04,12-25,11-30a,11-22,11-12,11-05,10-23,10-11,09-21,09-13,09-08,09-02,08-10,07-12,07-11,07-03,07-02,05-13,04-15(a),04-02,03-39,03-02,02-28,02-11,02-05,01-25,01-19,01-17,01-01,00-29,00-04,99-23,99-05,98-37,97-42,97-19,97-15,97-03,95-20,95-04,94-18,94-08,93-39,93-33,92-44,92-31,91-17,90-25)

- B. Calculating a ratio for each of the hospitals receiving a payment under this section that is equal to:
- (1) the difference between the upper payment limit for each hospital computed in A and total Medicaid payments to that hospital and, if positive,
 - (2) divided by the sum of the positive amounts of the differences between the upper payment limit and the Medicaid payments to each of the hospitals.
- C. Applying the ratio computed in B to the difference between the upper payment limit for the non-State government-owned group of hospitals and total Medicaid payments to that group of hospitals.

The Department will make an ~~one-time~~ interim payment ~~after the close of the 2018 federal fiscal year for payment years 2016, 2017, and 2018.~~ The Department will then reconcile the interim payment for each payment year after calculating the total value of the payment adjustment for each payment year.

SECTION 5.0 RESERVED