

Table of Contents

State/Territory Name: New Hampshire

State Plan Amendment (SPA) #: 21-0028

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

September 22, 2021

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

RE: New Hampshire 21-0028

Dear Commissioner Shibinette:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 21-0028. Effective May 24, 2021, this amendment updates the state's disproportionate share hospital payments and critical access hospital supplemental payments.

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 21-0028 is approved effective May 24, 2021. The CMS-179 and the amended plan page(s) are attached.

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,

A solid black rectangular box redacting the signature of the Acting Director.

Rory Howe
Acting Director

Enclosures

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER <u>21-0028</u>	2. STATE NH
3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
4. PROPOSED EFFECTIVE DATE May 24, 2021	

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

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 SSA 1923 and 42 CFR Part 447	7. FEDERAL BUDGET IMPACT FFY 2021: (\$27,579,942.00) \$(27,438,541)
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT Attachment 4.19A, page 5a Attachment 4.19A, page 5b. page 5b(cont) Attachment 4.19A, page 5c Attachment 4.19A, page 5d Attachment 4.19A, page 5e	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) Attachment 4.19A, page 5a, TN 18-0010 19-0010 Attachment 4.19A, page 5b, TN 20-0024. page 5b(cont) Attachment 4.19A, page 5c, TN 20-0024 Attachment 4.19A, page 5d, TN 20-0024 Attachment 4.19A, page 5e, TN 20-0024


10. SUBJECT OF AMENDMENT

DSH Payment Adjustments and Supplemental Access Payments

11. GOVERNOR'S REVIEW (Check One)

GOVERNOR'S OFFICE REPORTED NO COMMENT SPECIFIED:
will follow OTHER, AS comments, if any,

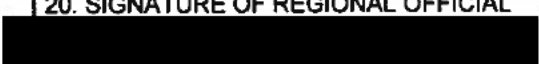
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL 	16. RETURN TO Dawn Landry Division of Medicaid Services/Brown Building Department of Health and Human Services 129 Pleasant Street Concord, NH 03301
13. TYPED NAME Ann H. Landry	
14. TITLE Associate Commissioner	
15. DATE SUBMITTED	

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED June 25, 2021	18. DATE APPROVED September 22, 2021
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PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL May 24, 2021	20. SIGNATURE OF REGIONAL OFFICIAL  For
21. TYPED NAME Rory Howe	22. TITLE Acting Director, Financial Management Group

23. REMARKS
Pen-and-ink changes made to Boxes 7, 8, and 9 by CMS with state concurrence.

Disproportionate Share – Payment Adjustment

The second type of payment adjustment is available to in-state, non-public general hospitals and certain specialty hospitals which qualify as follows:

- (a) The hospital must have at least 2 obstetricians with staff privileges at the hospital who have agreed to provide obstetric services to individuals entitled to such services under the state Medicaid plan. In the case of a hospital located in a rural area (as defined in 42 U.S.C. 1395ww), the term "obstetrician" includes any physician with staff privileges at the hospital to perform non-emergency obstetric procedures. The above obstetric-related criteria do not apply to hospitals in which the inpatients are predominantly individuals under 18 years of age, or to hospitals which do not offer non-emergency obstetric services as of December 31, 1987.
- (b) All disproportionate share hospitals must, in addition to the qualifying conditions noted above, have a Medicaid utilization rate equaling or exceeding 1%. The Medicaid utilization rate shall be computed using the formulas specified in Section 1923(b)(2) of the Social Security Act.

The DSH payment adjustment methodology for this second type of DSH payment adjustment is detailed in paragraphs 1 and 2 below. Beginning in FY21, Critical Access Hospitals and specialty hospitals for rehabilitation and psychiatry will only be eligible for a DSH payment if they meet the requirements of a "Deemed DSH" Hospital. A hospital that is not participating in Medicaid on the date of the initial DSH payment is not eligible for a DSH payment for the year, unless it meets the requirements of a "Deemed DSH" Hospital. Non-public hospitals participating in Medicaid will receive a DSH payment adjustment in an amount as specified in paragraphs 1 and 2 below, subject to any applicable limits in paragraph 3 below; and, provided that they meet the qualifying criteria stated in items (a) and (b) above.

1. **"Deemed DSH" Hospitals**: Any hospital or specialty hospital in NH that meets the criteria under 42 U.S.C. 1396r-4(b) for "hospitals deemed disproportionate share" will receive a payment adjustment in an amount as follows:

(A) if the deemed DSH is (i) a specialty hospital for rehabilitation or psychiatry, (ii) a hospital that does not participate in the NH Medicaid Care Management program, (iii) a Critical Access Hospital, or (iv) a hospital that qualifies for a Supplemental Access Payment under page 5e of Attachment 4.19-A, the DSH payment amount will be \$250,000, or a lesser amount if an amount less than \$250,000 is required to comply with hospital-specific DSH limit under 42 U.S.C. 1396r-4(g); and

(B) if the deemed DSH hospital is not a specialty hospital for rehabilitation or psychiatry, but is a hospital without critical access designation that participates in the NH Medicaid Care Management program, the DSH payment amount shall be in accordance with paragraph 2 below.

Disproportionate Share – Payment Adjustment

(continued)

2. DSH Qualifying, Non-Public Hospitals: Each DSH qualifying hospital that is not a critical access hospital or a specialty hospital for rehabilitation or psychiatry, but which does participate in the provider network of the NH Medicaid Care Management program shall receive a DSH payment adjustment in an amount proportional to, but not greater than, each such hospital’s total allowable uncompensated care costs. "Uncompensated care costs" are calculated in accordance with the federal requirements of 42 U.S.C. 1396r-4(g) and any federal regulations promulgated by the federal oversight agency, the Centers for Medicare and Medicaid Services (CMS). This payment amount is reconciled in a subsequent year to account for variances identified between projected uncompensated care costs and actual uncompensated care costs as determined by the independent certified audit performed pursuant to 42 CFR, Part 455, Subpart D.

For each hospital that meets the eligibility criteria under this paragraph 2, the funding and payment amounts shall be as follows, except as further adjusted pursuant to paragraph 3 below:

(A) Funding for State Fiscal and State Plan Year 2015 shall be \$34,355,739; each qualifying hospital under paragraph 2 shall receive a pro rata share of this funding in proportion to its total allowable uncompensated care costs.

(B) For State Fiscal and State Plan Years 2016 and 2017, each such hospital shall be paid 50% of its uncompensated care costs.

(C) For State Fiscal and State Plan Year 2018 and 2019, each such hospital shall be paid a pro rata share of the difference between (i) the maximum amount of DSH payments permitted for all qualifying hospitals for fiscal year 2018 and 2019, as specified in paragraph 4(B), and (ii) the total payments made in fiscal year 2018 and 2019, respectively, to critical access hospitals under paragraph 2; where each hospital’s share is proportional to its relative share of total uncompensated care costs incurred by all hospitals qualifying under this paragraph 2.

(D) For State Fiscal and State Plan Year 2020, each such hospital shall be paid the sum in the table below: up to 75.58 % of its uncompensated care costs, to maintain hospital stability and access to care and consistent with the requirements of Section 167:64 of the New Hampshire Revised Statutes Annotated, for a total distribution of \$177,822,825.

Hospital Name	Payment
The Cheshire Medical Center	\$6,934,614
Catholic Medical Center	\$18,321,803
Concord Hospital	\$17,942,584
Elliot Hospital	\$19,904,386
Exeter Hospital	\$6,314,518
Frisbie Memorial Hospital	\$6,856,837
Lakes Region General Hospital	\$8,065,113
Mary Hitchcock Memorial Hospital	\$53,695,268
Parkland Medical Center	\$4,048,387
Portsmouth Regional Hospital	\$6,857,566
Southern New Hampshire Medical Center	\$11,998,144
St. Joseph Hospital	\$6,186,857
Wentworth-Douglass Hospital	\$10,696,748

(E) For State Fiscal and State Plan Year 2021, each such hospital shall be paid the sum in the table below to maintain hospital stability and access to care and consistent with the requirements of Section 167:64 of the New Hampshire Revised Statutes Annotated, for a total estimated DSH distribution of \$165,144,396.

In addition, Concord Hospital – Laconia, the facility to be operated in the Lakes Region General Hospital facility following bankruptcy proceedings and change of ownership, shall be paid up to 100% of its uncompensated care costs based on best available data for a five month period, to maintain hospital stability and access to care and consistent with the requirements of Section 167:64 of the New Hampshire Revised Statutes Annotated.

These payments will be reconciled and amended based on the results of the state’s annual DSH audit for SFY21. Concord Hospital – Laconia will first receive DSH payment at 100% of its five-month uncompensated care costs resulting from the audit. Then the remaining total amount available will be reallocated proportionately to each remaining hospital based on its uncompensated care costs resulting from the audit. No hospital will receive an allocation in excess of its uncompensated care costs from the audit.

Hospital Name	Payment
The Cheshire Medical Center	\$8,096,913
Catholic Medical Center	\$19,022,177
Concord Hospital, Inc.	\$19,162,455
Elliot Hospital	\$17,424,672
Exeter Hospital	\$5,424,661
Frisbie Memorial Hospital	\$5,612,664
Concord Hospital – Laconia (formerly Lakes Region General Hospital)	\$5,021,209
Mary Hitchcock Memorial Hospital	\$48,845,952
Parkland Medical Center	\$3,349,487
Portsmouth Regional Hospital	\$6,827,536
Southern New Hampshire Medical Center	\$10,813,610
St. Joseph Hospital	\$4,771,007
Wentworth-Douglass Hospital	\$10,772,053

3. Notwithstanding the provisions of paragraphs 1 or 2 above:

(A) if in Fiscal Year 2016 or 2017, qualifying hospitals’ total aggregate uncompensated care costs, as reported to the NH Department of Health and Human Services, is less than \$350 million, the State shall pay such hospitals not less than \$175 million in DSH payments, shared among such hospitals in proportion to the amount of uncompensated care costs incurred by each such hospital relative to the total; provided that New Hampshire hospitals with a critical access designation shall continue to receive reimbursements of no less than 75% of each such hospital’s uncompensated care costs; and

(B) total statewide DSH payments to hospitals qualifying under this second type of DSH payment adjustment shall not exceed \$207,184,916 in Fiscal Year 2016, \$217,271,699 in Fiscal Year 2017, \$223,829,358 in Fiscal Year 2018, \$215,083,692 in Fiscal Year 2019, \$217,498,464 in Fiscal Year 2020 and \$165,144,396 in Fiscal Year 2021. The cap amount excludes deemed DSH payments made pursuant to paragraph 1(A).

RESERVED FOR FUTURE USE.

TN No: 21-0028
Supersedes
TN No: 20-0024

Approval Date: 9/22/2021

Effective Date: 5/24/2021

RESERVED FOR FUTURE USE.

TN No: 21-0028
Supersedes
TN No: 20-0024

Approval Date: 9/22/2021

Effective Date: 5/24/2021

Critical Access Hospital Supplemental Payment

The NH Department of Health and Human Services will make a Critical Access Hospital Supplemental Access payment to certain NH hospitals with critical access designation by the Centers for Medicare and Medicaid Services.

To further provide support and ensure timely access to care, these Critical Access Hospitals supplemental payments shall be made in State Fiscal Year 2021 consistent with the requirements of Section 167:64 of the New Hampshire Revised Statutes Annotated in the following amounts:

Hospital	Supplemental Payment
Androscoggin Valley Hospital	\$3,944,398
Upper Connecticut Valley Hospital	\$2,232,330
Valley Regional Hospital	\$2,372,358
Littleton Regional Hospital	\$1,465,205
Cottage Hospital	\$2,024,832
Weeks Medical Center	\$422,527
New London Hospital	\$863,702
Monadnock Community Hospital	\$3,688,634
Huggins Hospital	\$1,313,316
The Memorial Hospital	\$3,354,670
Alice Peck Day Memorial Hospital	\$5,789,514
Total	\$27,471,486

TN No: 21-0028Approval Date: 9/22/2021Effective Date: 5/24/2021

Supersedes TN No. 20-0024