

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
JFK Federal Building, Government Center
Room 2275
Boston, Massachusetts 02203



CENTERS for MEDICARE & MEDICAID SERVICES

Division of Medicaid and Children's Health Operations / Boston Regional Office

January 24, 2011

Russell J. Begin, Acting Commissioner
Department of Health and Human Services
11 State House Station
Commissioner's Office
Augusta, Maine 04333-0011

Dear Mr. Begin:

We are pleased to enclose a copy of approved State plan amendment (SPA) No. 10-002. This SPA is effective January 1, 2010 as requested.

SPA 10-002 transmitted a proposed amendment to your Department's approved Title XIX State plan to revise the reimbursements for durable medical equipment. Your Department proposes to reimburse suppliers of non-miscellaneous medical supplies, equipment, and appliances for use of patients in their own home, the lowest of (1) a fee schedule; (2) Medicare's allowed amount; or (3) the provider's usual and customary charge. For miscellaneous medical supplies, the State proposes to reimburse (1) if there is a Manufacturers' Suggested Retail Price (MSRP) the reimbursement will be MSRP minus twenty percent; or (2) if there is no listed MSRP, reimbursement will be the providers' usual and customary charges minus thirty percent.

Please note that in our review of this SPA, we also analyzed the reimbursement methodologies for podiatrists, chiropractors, optometrists, psychologists, private duty nursing, clinics, physical and related services, and dental services that appear on the same page. In addition, we reviewed your Department's description of covered home health, private duty nursing, chiropractors, optometrists, psychologists, physical, occupational, and speech therapy services that corresponds to these reimbursements.

We determined that the reimbursement methodologies for the above services are not consistent with the requirements of §1902(a)(30) of the Social Security Act and 42 CFR 430.12. Further, we have questions concerning your Department's description of covered home health, private duty nursing, physical, occupational, and speech therapy services. We want to inform you that we will address these issues as part of our review of SPA 10-012.

Page 2 - Russell J. Begin, Acting Commissioner

Please be advised that we approved this SPA as revised. As agreed to by your staff, we revised box 4 of the Transmittal and Notice of Approval of State Plan Material (CMS-179) to reflect the actual proposed effective date of the SPA. We also modified box 8 to add additional pages to the SPA. Further, we added the date submitted in box 15.

If there are questions, please contact Chong Tieng. He can be reached at (617) 565-9157.

Sincerely,

/s/

Richard R. McGreal
Associate Regional Administrator

Enclosure

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE AND MEDICAID SERVICES		1. TRANSMITTAL NUMBER: 10-002	2. STATE: MAINE
		3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR CENTERS FOR MEDICARE AND MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES		4. PROPOSED EFFECTIVE DATE(S) January 1, 2010	
5. TYPE OF PLAN MATERIAL (CHECK ONE): <input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" type="checkbox"/> AMENDMENT COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)			
6. FEDERAL STATUTE/REGULATION CITATION:		7. FEDERAL BUDGET IMPACT: a. FFY ___ 10__ \$509,045.75 b. FFY ___ 11__ \$ 450,617.01	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: ATTACHMENT 4.19 B, [REDACTED] Pages 2, 2(i), 2(ii), 2(iii), 2(iv), 2(v)		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): 4.19B, PAGE 2	
SUBJECT OF AMENDMENT: MEDICAL SUPPLIES AND DURABLE MEDICAL EQUIPMENT			
11. GOVERNOR'S REVIEW (Check One): <input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input checked="" type="checkbox"/> OTHER, AS SPECIFIED <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED COMMISSIONER, DEPT. OF HUMAN SERVICES <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL			
12. SIGNATURE OF STATE AGENCY OFFICIAL:		16. RETURN TO:	
13. TYPED NAME: BRENDA HARVEY		ANTHONY MARPLE Director, Office of MaineCare Services #11 State House Station	
14. TITLE: Commissioner, Maine Department of Health and Human Services		442 CIVIC CENTER DRIVE Augusta, ME 04333-0011	
15. DATE SUBMITTED: March 8, 2010			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED: March 8, 2010		18. DATE APPROVED: January 24, 2011	
PLAN APPROVED - ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: January 1, 2010		20. SIGNATURE OF REGIONAL OFFICIAL:	
21. TYPED NAME: Richard R. McGreal		22. TITLE Associate Regional Administrator Division of Medicaid and Children's Health Operations	
23. REMARKS 1. Box 4 was revised to reflect the actual proposed date. 2. Box 8 was revised to add the additional page numbers of the attachment. 3. Box 15 was revised to add the date the SPA was submitted			

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: MAINE

Attachment 4.19B

Page 2

PAYMENT RATES FOR CARE AND SERVICES OTHER THAN INPATIENT HOSPITAL

6. a. Podiatrists' – Payment is made on the basis of a fixed fee schedule, but not to exceed the 75th percentile established by Medicare B.
- b. Optometrists' – Payment is made on the basis of a fixed fee schedule, but not to exceed the 75th percentile established by Medicare B.
- a. Chiropractors – Payment is made on the basis of a fixed fee schedule, but not to exceed the 75th percentile established by Medicare B.
- d. Psychologists – Payment is made on the basis of a fixed fee schedule, but not to exceed the 75th percentile established by Medicare B.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

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Attachment 4.19B

Page 2(i)

PAYMENT RATES FOR CARE AND SERVICES OTHER THAN INPATIENT HOSPITAL

7. a. Home Health Care Services – Intermittent or part time nursing services provided by a home health agency or by a registered nurse when no home health agency exists in the area. Home health services are provided in accordance with 42 CFR 4403.70. Payment is made on the basis of the lowest of a fixed fee schedule, the weighted average cost, based on the provider's Medicare cost reports; or the provider's usual and customary charge.

The agency's fee schedule rates were set as of January 1, 2010 and are effective for services on or after that date. All rates are published at <https://mainecare.maine.gov/Provider%20Fee%20Schedules/Forms/Publication.aspx>. Except as otherwise noted in the plan, State developed fee schedule rates are the same for both governmental and private providers.

- b. Non Miscellaneous Medical Supplies, equipment, and appliances for use of patients in their own home, payments are the lowest of:
1. a fee schedule or
 2. Medicare's allowed amount, or
 3. the providers usual and customary charge.
 4. For miscellaneous medical supplies, the State Medicaid agency will reimburse as follows:
 - a. If there is a Manufacturers' Suggested Retail Price (MSRP) the reimbursement will be MSRP minus twenty percent (20%).
 - b. If there is no listed MSRP, reimbursement will be the providers will be reimbursed their Usual and Customary Charges minus thirty percent (30%).

The agency's fee schedule rates were set as of January 1, 2010 and are effective for services on or after that date. All rates are published at <https://mainecare.maine.gov/Provider%20Fee%20Schedules/Forms/Publication.aspx>. Except as otherwise noted in the plan, State developed fee schedule rates are the same for both governmental and private providers.

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PAYMENT RATES FOR CARE AND SERVICES OTHER THAN INPATIENT HOSPITAL

8. Private Duty Nursing – Nursing services furnished by a licensed home health agency or an independent professional registered nurse. Payment is made on the basis of a fixed fee schedule. The amount of private duty nursing services will be capped per individual on an annual or monthly basis as determined by the Department.

While there are no public providers of this service, the fee schedule rates for public and private providers of Medicaid services, products or items would be the same and the state does not subdivide or subclassify its payment rates based on whether the provider is a public or private entity/provider. Annual or periodic adjustments will be made and such adjustments will be reflected in the fee schedule that is made available to the providers and public.

TN No. 10-002
Supersedes
TN No. 04-020

Approval Date 01/24/11

Effective Date 01/01/2010

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: MAINE

Attachment 4.19B

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PAYMENT RATES FOR CARE AND SERVICES OTHER THAN INPATIENT HOSPITAL

9. Clinic Services – Payment is made on the basis of a fixed fee schedule. Payment is also made to Sec. 638 tribal facilities in accordance with the periodic Federal Register notice addressing the HIS encounter rate. The following services were included in the all inclusive rate paid to Indian Health Centers:

- Laboratory And X-Rays
- EPSDT
- Family Planning Services
- Physician Services
- Medical And Surgical Services Provided By A Dentist
- Podiatrist's Services
- Chiropractor's Services
- Psychological Examiner's Services
- Licensed Clinical Social Workers And LCPCs
- Intermittent Or Part Time Nursing Services
- Home Health Aide Services
- Physical, Occupational and Speech/Language Therapy and Audiology Services provided by a Home Health Agency
- Private Duty Nursing Services
- Clinic Services
- Dental Services
- Physical Therapy
- Occupational Therapy
- Services for Speech, Hearing and Language Disorder
- Mental Health Diagnostic Services
- VD Screening
- Mental Health Preventive Services
- Nurse Midwife Services
- Pregnancy Related and Postpartum Services
- Extended Services to Pregnant Women
- Ambulatory Prenatal Care for Pregnant Women
- Certified Pediatric or Family Nurse Practitioner's Services
- Advanced Practice Nurses

See Attachment 4.19-B, Physician (and other prescribers) Directed Drug Initiative, (PDDI), pages 1-b to 1-d.

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Attachment 4.19B

Page 2(iv)

PAYMENT RATES FOR CARE AND SERVICES OTHER THAN INPATIENT HOSPITAL

10. Dental Services – Payment for these services is made on the basis of a fixed fee schedule. See Attachment 4.19-B, Physician (and other prescribers) Directed Drug Initiative, (PDDI), pages 1-b to 1-d.

TN No. 10-002
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Attachment 4.19B

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PAYMENT RATES FOR CARE AND SERVICES OTHER THAN INPATIENT HOSPITAL

11. Physical Therapy and related services.

- a. Physical Therapy – Payment is made on the basis of a fixed fee schedule.
- b. Occupational Therapy – Payment is made as described in 11a.
- c. Services for individuals with speech, hearing, and language disorder – The State Agency will make payments as in 11a above.

TN No. 10-002
Supersedes
TN No. 04-020

Approval Date 01/24/11

Effective Date 01/01/2010