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State/Territory Name: ME

State Plan Amendment (SPA) #: 15-0004

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form
- 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

MAY 04 2015

Mary C. Mayhew, Commissioner
Department of Health and Human Services
State of Maine
221 State Street
11 State House Station
Augusta, ME 04333-0011

RE: Maine 15-004

Dear Ms. Mayhew:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid state plan submitted under transmittal number (TN) 15-004. This amendment revises reimbursement for inpatient hospital services. Specifically, it decreases non-critical access hospital supplemental pool from \$65,321,301 to \$64,769,417 due to the merger of two hospitals, which resulted in a reclassification to a critical access hospital.

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. We are pleased to inform you that Medicaid State plan amendment 15-004 is approved effective May 1, 2015. We are enclosing the CMS-179 and the amended plan pages.

If you have any questions, please call Novena James-Hailey at (617) 565-1291.

Sincerely,

Timothy Hill
Director

A handwritten signature in black ink, appearing to be "TH", is written over the printed name "Timothy Hill".

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL		1. TRANSMITTAL NUMBER: 15-004	2. STATE Maine
FOR: HEALTH CARE FINANCING ADMINISTRATION		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 5/1/2015	
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: 42 CFR 447.272		7. FEDERAL BUDGET IMPACT: IS A SAVINGS OF a. FFY <u>2014</u> Cost of \$113,835 b. FFY <u>2015</u> Cost of \$345,866	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-a page 8		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Attachment 4.19-a page 8	
10. SUBJECT OF AMENDMENT: Reimbursement change to Inpatient Hospital Services – Supplemental Pool			
11. GOVERNOR'S REVIEW (Check One):			
<input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL		<input checked="" type="checkbox"/> OTHER, AS SPECIFIED: Commissioner, Dept. of Health and Human Services	
12. REGIONAL OFFICIAL:		16. RETURN TO:	
13. TYPED NAME: Mary C. Mayhew		Stefanie Nadeau Director, MaineCare Services #11 State House Station 242 State Street Augusta, Maine 04333-0011	
14. TITLE: Commissioner, Department of Health and Human Services			
15. DATE SUBMITTED: 02/17/2015			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED:		18. DATE APPROVED: MAY 04 2015	
PLAN APPROVED – ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: MAY 01 2015		20. SIGNATURE OF REGIONAL OFFICIAL:	
21. TYPED NAME: <i>Kristen FAN</i>		22. TITLE: <i>Deputy Director, FMG</i>	
23. REMARKS: <i>Pen and ink changes in box 7 per State request.</i>			

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

STATE: Maine

Attachment 4.19-a

Inpatient Hospital Services Detailed Description of Reimbursement

Page 8

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 the supplemental pool annually among the private acute care non-critical access hospitals, rehabilitation hospitals, and hospitals reclassified to a wage area outside Maine by the Medicare Geographic Classification Review Board prior to October 1, 2008. The pool shall equal \$64,769,417 and be used to support hospital payments even under DRG methodology.

This pool will be proportionately decreased if a hospital that was in the pool when the total pool amount was set subsequently becomes a critical access hospital. This amount will not be adjusted at the time of audit.

Effective April 24, 2012, 50% of the pool shall be distributed based on each hospital's relative share of inpatient MaineCare non-psychiatric discharges. Relative share shall equal the hospital's acute care non-CAH MaineCare discharges divided by total acute care non-CAH MaineCare discharges for all hospitals times 1/2 the pool amount. The other 50% of the pool shall be distributed based on each hospital's relative share of total inpatient MaineCare days. Relative share shall equal the hospital's acute care non-CAH MaineCare days divided by the total acute care non-CAH MaineCare days for all hospitals times 1/2 the pool amount. MaineCare will use the most recent as filed Medicare cost report available to determine the MaineCare days and discharges used in the distribution of the pool.

Pool payments will be paid 50% in November and 50% in May of each state fiscal year.

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

TN No. 15-004
Supersedes
TN No. 13-036

Approval Date **MAY 04 2015** Effective Date 05/01/2015
NCFA ID 7982E