

Table of Contents

State/Territory Name: Maine

State Plan Amendment (SPA) #:15-019

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form
- 3) Approved SPA Pages

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



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

April 4, 2016

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

RE: Maine ME 15-019

Dear Commissioner Mayhew:

We are now ready to approve State Plan Amendment (SPA) No. ME 15-019; attached you will find an approved copy of the SPA. As requested, this SPA is effective October 1, 2015.

The purpose of this SPA is to amend the State's approved Title XIX State Plan to update the state's payment methodology to reduce reimbursement for state specified, non-emergency use of the emergency department for in-state acute care non-critical access hospitals. This SPA specifically reduces the evaluation and management portion of the Ambulatory Payment Classification for ED Services (99281-99285 billed with revenue codes 0450-0459) payments to the current non-emergency department rates. This SPA is estimated to have a Federal Fiscal year impact of \$2,576,745 in both 2016 and 2017.

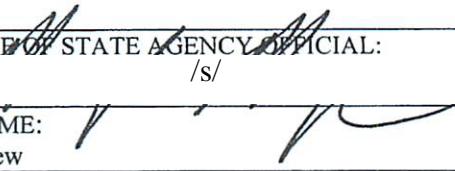
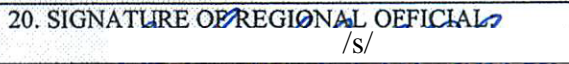
If you have any questions regarding this SPA, please contact Aimee Campbell-O'Connor, Maine State Lead, at 617/565-1642, or at Aimee.Campbell-O'Connor@cms.hhs.gov.

Sincerely,

/s/

Richard R. McGreal
Associate Regional Administrator

cc: Stefanie Nadeau, Director, Office of Maine Care Services
Sam Senft, Director, Policy, Children's and Waiver Services

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL		1. TRANSMITTAL NUMBER: 15-019	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 October 1, 2015	
5. TYPE OF PLAN MATERIAL (<i>Check One</i>):			
<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 (<i>Separate Transmittal for each amendment</i>)			
6. FEDERAL STATUTE/REGULATION CITATION: 42 CF §447.201; 42 CF §447.252; Public Law 2015, Chapter 267, Part A, Section A-32		7. FEDERAL BUDGET IMPACT: a. FFY <u>2016</u> saving of \$2,576,745 b. FFY <u>2017</u> saving of \$2,576,745 \$2,576,745	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-B pages1(f)-1(i); 1(i)(a)		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (<i>If Applicable</i>): Attachment 4.19-B pages1(f)-1(i)	
10. SUBJECT OF AMENDMENT: Outpatient Hospital Services			
11. GOVERNOR'S REVIEW (<i>Check One</i>):			
<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. SIGNATURE OF STATE AGENCY OFFICIAL:  /s/		16. RETURN TO: Stefanie Nadeau Director, MaineCare Services #11 State House Station 242 State Street Augusta, Maine 04333-0011	
13. TYPED NAME: Mary C. Mayhew			
14. TITLE: Commissioner, Department of Health and Human Services			
15. DATE SUBMITTED: 09-11-2015			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED: 9/24/15		18. DATE APPROVED: 4/4/2016	
PLAN APPROVED – ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: 10/1/15		20. SIGNATURE OF REGIONAL OFFICIAL:  /s/	
21. TYPED NAME: Richard McGreal		22. TITLE: Associate Regional Administrator	
23. REMARKS: 1/29/16- state explained that Box 7, item B included a typographical error and provided pen and ink authority for CMS to update the estimate for FFY 2017 savings in the RAI response.			

Interim and Final Settlement

At interim and final settlement, the hospital will reimburse the Department for any excess payments; or the Department will reimburse the amount of any underpayment to the hospital. In either case, the lump sum payment must be made within 30 days of the date of the letter notifying the provider of the results of the interim or final settlement. If more than one year's interim or final settlement is completed in the same proceeding, the net amount must be paid. Any caps imposed on PIP payments are not applicable to the determination of settlement amounts.

Hospitals are required to file with the DHHS, Division of Audit a year-end cost report within five months from their fiscal year end. The cost report filing consists of: CMS Form 2552 or its equivalent, audited financial statements, and any other related documentation as requested by the DHHS-Division of Audit. The cost report must include applicable MaineCare utilization and a calculated balance due to/from MaineCare.

ACUTE CARE NON-CRITICAL ACCESS HOSPITALS (including rehabilitation hospitals)

1. Private Hospitals (including rehabilitation hospitals)

a. APC Payment

Effective July 1, 2013, the Department will reimburse hospitals 83.7% of the most recent adjusted Medicare APC rate for all outpatient services where that rate is available unless otherwise specified.

The APC payment does not include hospital-based physician services. The APC payment does include ancillary services such as x-rays and laboratory test costs. If multiple procedures are performed, the Department pays the hospital 83.7% of Medicare's single bundled APC rate.

APC payments are made when the member receives services in an emergency room, clinic or other outpatient setting, or if the outpatient is transferred to another hospital or facility that is not affiliated with the initial hospital where the patient received the outpatient services. If the outpatient is admitted from a hospital's clinic or emergency department, to the same hospital as an inpatient, the hospital shall be paid only a DRG-based discharge rate and will not receive an APC payment.

An outlier payment adjustment is made to the rate when an unusually high level of resources has been used for a case. Calculations for outlier payments will follow Medicare rules and be paid at 83.7% of the Medicare payment.

b. Fee Schedule Payments

Effective July 1, 2012, a limited number of Current Procedural Terminology (CPT) codes do not have associated Medicare APC rates, as listed in Addendum B (see: <https://www.cms.gov/Medicare/Medicare-Fee-for-ServicePayment/HospitalOutpatientPPS/Addendum-A-and-Addendum-B-Updates.html>). MaineCare covers certain services listed in Addendum B and pays for these services based on a fee schedule (see: <https://mainecare.maine.gov/Provider%20Fee%20Schedules/Forms/Publication.aspx>)

c. Payment for Non-emergent use of the Emergency Department

Hospital payment for an emergency department visit (CPT codes 99281-99285 billed with revenue codes 0450-0459), with the following primary ICD-10 codes will be paid the outpatient physician's

Outpatient Hospital Services Detailed Description of Reimbursement

professional evaluation and management service fee schedule rate. This will be determined by using the current physician's payment rate listed in the MaineCare Fee Schedule associated with the Emergency Department CPT code reported on the UB04 claim.

The relevant ICD 10 codes are:

2. J02.0; J03.00; J03.01; B97.10; B97.89; F41.9; F41.1; H10.30; H10.31; H10.32; H10.33; H10.9; H60.00; H60.01; H60.02; H60.03; H60.10; H60.11; H60.12; H60.13; H60.311; H60.312; H60.313; H60.319; H60.321; H60.322; H60.323; H60.329; H60.391; H60.392; H60.393; H60.399; H65.00; H65.01; H65.02; H65.03; H65.04; H65.05; H65.06; H65.07; H65.90; H65.91; H65.92; H65.93; H66.001; H66.002; H66.003; H66.004; H66.005; H66.006; H66.007; H66.009; H66.90; H66.91; H66.92; H66.93 ; J01.90; J01.91; J02.8; J02.9; J06.9; J20.0; J20.1; J20.2; J20.3; J20.4; J20.5; J20.6; J20.7; J20.8; J20.9; J32.9; J40; J45.20; J45.30; J45.40; J45.50; J45.21; J45.31; J45.41; J45.51; J45.20.; J45.30; J45.40; J45.50; J45.21; J45.31; J45.41; J45.51; J44.9; J44.1; J45.990; J45.991; J45.909; J45.998; J45.901; L22; L20.0; L20.81; L20.82; L20.84; L20.89; L20.9; L23.7; L24.7; L25.5; L23.9; L24.9; L25.9; L30.0; L30.2; L30.8; L30.9; M25.50; M25.511; M25.512; M25.519; M25.521; M25.522; M25.529; M25.531; M25.532; M25.539; M79.643; M79.646; M25.551; M25.552; M25.559; M25.561; M25.562; M25.569; M25.571; M25.572; M25.579; M25.50;; M54.5; M54.89; M54.9; M60.80; M60.81; M60.811; M60.812; M60.819; M60.82; M60.821; M60.822; M60.829; M60.83; M60.831; M60.832; M60.839; M60.84; M60.841; M60.842; M60.849; M60.85; M60.851; M60.852; M60.859; M60.86; M60.861; M60.862; M60.869; M60.87; M60.871; M60.872; M60.879; M60.88; M60.89; M60.9; M79.1; M79.7; M79.601; M79.602; M79.603; M79.604; M79.605; M79.606; M79.609; M79.62; M79.621; M79.622; M79.629; M79.63; M79.631; M79.632; M79.639; M79.641; M79.642; M79.643; M79.644; M79.645; M79.646; M79.65; M79.651; M79.652; M79.659; M79.66; M79.661; M79.662; M79.669; M79.671; M79.672; M79.673; M79.674; M79.675; M79.676; G93.3; R53.0; R53.1; R53.81; R58.83; R21; G44.1; R51; R05Public Hospitals

- a. APC Payment

Third party liability payments and revenue for outpatient physician services billed and paid on CMS 1500 are subtracted from the obligation. The computed amounts are calculated as described below:

Effective July 1, 2009, the Department's total annual obligation to a hospital for outpatient services equals the lower of 83.8% of MaineCare outpatient costs or charges, plus 93.4% of emergency room hospital based physician costs plus 83.8% of non-emergency room outpatient hospital based physician costs. Costs are determined using standard cost to charge ratios, using data from the Medicare fiscal intermediary's Medicare cost reports for each fiscal year that is being settled. Charges are taken from claims data. MaineCare's share of clinical laboratory and radiology costs are added to this amount.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State :MAINE

Attachment 4.19-B

Page 1 (h)

Outpatient Hospital Services Detailed Description of Reimbursement

OFFICIAL

Ancillary costs are calculated using the cost-to-charge ratios on Worksheet D Part V Column 1, Lines 37 through 65 of the Medicare Cost Report. The physician costs are calculated using the professional remuneration from worksheet A-8-2 and worksheet A-8, the total of remuneration from a82 and a8 is then divided by total charges from worksheet C., and multiplied by the MaineCare charges for each cost center. The result is then inflated to the current year.

State-developed fee schedule rates are the same for both governmental and private providers of Clinical Laboratory and Radiology Services. The agency’s fee schedule was set as of March 29, 2009 and is effective for services provided on or after that date. All rates are published at <http://www.maine.gov/dhhs/audit/rate-setting/index.shtml>

b. Payment for Non-emergent use of the Emergency Department

Hospital payment for an emergency department visit (CPT codes 99281-99285 billed with revenue codes 0450-0459), with the following primary ICD-10 codes will be paid the outpatient physician’s professional evaluation and management service fee schedule rate. This will be determined by using the current physician’s payment rate listed in the MaineCare Fee Schedule associated with the emergency department CPT code reported on the UB04 claim.

The relevant ICD 10 codes are:

J02.0; J03.00; J03.01; B97.10; B97.89; F41.9; F41.1; H10.30; H10.31; H10.32; H10.33; H10.9; H60.00; H60.01; H60.02; H60.03; H60.10; H60.11; H60.12; H60.13; H60.311; H60.312; H60.313; H60.319; H60.321; H60.322; H60.323; H60.329; H60.391; H60.392; H60.393; H60.399; H65.00; H65.01; H65.02; H65.03; H65.04; H65.05; H65.06; H65.07; H65.90; H65.91; H65.92; H65.93; H66.001; H66.002; H66.003; H66.004; H66.005; H66.006; H66.007; H66.009; H66.90; H66.91; H66.92; H66.93 ; J01.90; J01.91; J02.8; J02.9; J06.9; J20.0; J20.1; J20.2; J20.3; J20.4; J20.5; J20.6; J20.7; J20.8; J20.9; J32.9; J40; J45.20; J45.30; J45.40; J45.50; J45.21; J45.31; J45.41; J45.51; J45.20.; J45.30; J45.40; J45.50; J45.21;J45.31; J45.41; J45.51; J44.9; J44.1; J45.990; J45.991; J45.909; J45.998; J45.901; L22; L20.0; L20.81; L20.82; L20.84; L20.89; L20.9; L23.7; L24.7; L25.5; L23.9; L24.9; L25.9; L30.0; L30.2; L30.8; L30.9; M25.50; M25.511; M25.512; M25.519; M25.521; M25.522; M25.529; M25.531; M25.532; M25.539; M79.643; M79.646; M25.551; M25.552; M25.559; M25.561; M25.562; M25.569; M25.571; M25.572; M25.579; M25.50;; M54.5; M54.89; M54.9; M60.80; M60.81; M60.811; M60.812; M60.819; M60.82; M60.821; M60.822; M60.829; M60.83; M60.831; M60.832; M60.839; M60.84; M60.841; M60.842; M60.849; M60.85; M60.851; M60.852; M60.859; M60.86; M60.861; M60.862; M60.869; M60.87; M60.871; M60.872; M60.879; M60.88; M60.89; M60.9; M79.1; M79.7; M79.601; M79.602; M79.603; M79.604; M79.605; M79.606; M79.609; M79.62; M79.621; M79.622; M79.629; M79.63; M79.631; M79.632; M79.639; M79.641; M79.642; M79.643; M79.644; M79.645; M79.646; M79.65; M79.651; M79.652; M79.659; M79.66; M79.661; M79.662; M79.669; M79.671; M79.672; M79.673; M79.674; M79.675; M79.676; G93.3; R53.0; R53.1; R53.81; R58.83; R21; G44.1; R51; R05.

Outpatient Hospital Services Detailed Description of Reimbursement

OFFICIALProspective Interim Payment (PIP) – Public Hospitals Only

The estimated Departmental total obligation will be calculated to determine the PIP payment using data from the fiscal year for which the most recent as-filed cost report available, inflated to the current state fiscal year. This payment is at 100% of the calculated amount.

MaineCare calculates its share of outpatient hospital based physician costs, and its obligation related to outpatient claims where there is a third party payor use data from the most recent hospital fiscal year end MaineCare as filed cost report issued by DHHS Division of Audit, which is inflated to the current state fiscal year. For those claims where there is a third party payor involved, MaineCare pays the difference between what it would have paid in the absence of a third party payment and the actual third party payment. The State does not pay more than 100% of total outpatient costs for acute care non-critical hospitals.

3. Cost Settlement -

APC payments will not be cost settled.

a. 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 source used will be in MaineCare paid claims history as measured by the Department. Other calculations will be based on the hospital's as-filed cost report and MaineCare paid claims history for the year for which reconciliation is being performed. Interim settlements will be issued within one year from when the hospital's as-filed Medicare cost report is received.

b. 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 source used will be in MaineCare paid claims history as measured by the Department. Other calculations will be based on the hospital's final cost report from the Medicare fiscal intermediary and MaineCare paid claims history for the year for which reconciliation is being performed. Final settlements will be issued within one year from when the hospital's final Medicare cost report is received.

ACUTE CARE CRITICAL ACCESS HOSPITALS, PRIVATE PSYCHIATRIC HOSPITALS, STATE OWNED PSYCHIATRIC HOSPITALS, HOSPITALS RECLASSIFIED TO A WAGE AREA OUTSIDE MAINE BY THE MEDICARE GEOGRAPHIC CLASSIFICATION REVIEW BOARD (MGCRB)

All calculations made in relation to acute care critical access hospitals, and effective October 1, 2006, private psychiatric hospitals, and effective August 1, 2006 Hospitals Reclassified to a Wage Area Outside Maine by the MGCRB, must be made in accordance with the requirements for completion of the Medicare Cost Report and Generally Accepted Accounting Principles, unless stated otherwise below, plus a payment for eligible hospitals.

Outpatient Hospital Services Detailed Description of Reimbursement**OFFICIAL**Department's Outpatient Obligation to the Hospital

The Department of Health and Human Services' annual outpatient obligation to the hospitals will be the sum of MaineCare's obligation of the following: outpatient services + outpatient hospital based physician costs – beneficiary payments. Third party liability payments and revenue for outpatient physician services billed and paid on CMS 1500 claims are subtracted from the obligation.

Effective July 1, 2009 this payment is capped at 109% of MaineCare outpatient costs. MaineCare's share of emergency room hospital based physician costs is reimbursed at 93.4% of cost. Other outpatient hospital based physician costs will be reimbursed at 83.8% of costs.

Prospective Interim Payment

The estimated Departmental total obligation will be calculated to determine the PIP payment using data from the fiscal year from the most recent as filed cost report available, inflated to the current state fiscal year.

Interim Volume Adjustment

The Department initiates an interim PIP adjustment under very limited circumstance, including but not limited to, restructuring payment methodology as reflected in a state plan amendment; when a hospital "changes" categories (e.g. becomes designated critical access); if and when a new population group is made eligible for MaineCare (e.g. the state is contemplating an eligibility expansion to include higher income parents); or a hospital opens or closes resulting in a redistribution of patients among facilities.

Preliminary 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.

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.

STATE OWNED PSYCHIATRIC HOSPITALS

The Department of Health and Human Services' final obligation with a hospital is 100% of MaineCare outpatient costs. Costs are determined from standard cost-to-charge ratios using data from the final cost report issued by the Medicare fiscal intermediary and MaineCare paid claims history as measured by the Department.