

## **Table of Contents**

**State/Territory Name: ME**

**State Plan Amendment (SPA) #:17-0015 - A**

- 1) Approval Letter
- 2) CMS 179 Form
- 3) 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



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**Financial Management Group**

January 30, 2019

Jeanne Lambrew, Acting Commissioner  
Department of Health and Human Services  
221 State Street  
11 State House Station  
Augusta, ME 04333-0011

RE: Maine 17-0015-A

Dear Commissioner Lambrew:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid state plan submitted under transmittal number (TN) 17-0015-A. This amendment proposes to modify the reimbursement methodology for inpatient hospital (IPH) services. Specifically, it reduces the inpatient hospital supplemental payment pool amount among privately owned Acute Care Non-Critical Access hospitals, hospitals reclassified to a wage area outside Maine by the Medicare Geographic Classification Review Board and Rehabilitation hospitals to \$28,000,000.

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 17-0015-A is approved effective July 27, 2017. 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,



Kristin Fan  
Director

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

1. TRANSMITTAL NUMBER  
17-0015A

2. STATE  
Maine

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

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

4. PROPOSED EFFECTIVE DATE  
July 27, 2017

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 447

7. FEDERAL BUDGET IMPACT  
a. FFY 2018 \$ -46,857,134  
b. FFY 2019 \$ -47,121,522


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  
Changes to the hospital supplemental pool dollar amount and reimbursement methodology

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  
Stefanie Nadeau  
Director, MaineCare Services  
#11 State House Station  
242 State Street  
Augusta, Maine 04333-0011

13. TYPED NAME  
Stefanie Nadeau

14. TITLE  
Director, MaineCare Services

15. DATE SUBMITTED  
September 25, 2017

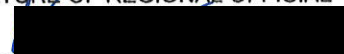
**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED

18. DATE APPROVED  
JAN 30 2019

**PLAN APPROVED - ONE COPY ATTACHED**

19. EFFECTIVE DATE OF APPROVED MATERIAL  
JUL 27 2017

20. SIGNATURE OF REGIONAL OFFICIAL  


21. TYPED NAME  
Kristin Fan

22. TITLE  
Director, FMG

23. REMARKS

**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 a supplemental pool for each state fiscal year among the privately owned and operated Acute Care Non-Critical Access hospitals, hospitals reclassified to a wage area outside Maine by the Medicare Geographic Classification Review Board and rehabilitation hospitals. The total pool (inpatient and outpatient) shall equal \$71,780,072. Subject to compliance with all applicable federal rules and payment limits, including 42 CFR 447.271 and 42 CFR 447.272, up to \$28,000,000 will be allocated to inpatient services, not to exceed the allowable aggregate upper payment limits. The allocated inpatient pool amount will be distributed based on each hospital's relative share of inpatient MaineCare payments, defined as the hospital's inpatient MaineCare payment in state fiscal year 2014 divided by inpatient MaineCare payments made to all privately owned and operated Acute Care Non-Critical Access hospitals, hospitals reclassified to a wage area outside Maine by the Medicare Geographic Classification Review Board, and rehabilitation hospitals; multiplied by the supplemental pool.

Each hospital in the pool will receive its relative share of this supplemental payment. Supplemental payments will be distributed semiannually, in even distributions in November and May. This pool will be decreased by the amount a hospital would have received if that hospital was in the pool when the total pool amount was set and subsequently becomes an approved critical access hospital. This supplemental pool payment is not subject to cost settlement.

**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