

## **Table of Contents**

**State/Territory Name: ME**

**State Plan Amendment (SPA) #: 18-0011**

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



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**Financial Management Group**

April 24, 2019

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

RE: Maine 18-0011

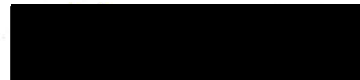
Dear Commissioner Lambrew:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid state plan submitted under transmittal number (TN) 18-0011. This amendment proposes to reduce 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. Specifically, the payment pool is being reduced from \$28,000,000 to \$27,600,000 for a total reduction of \$400,000 which will offset an increase to the rehabilitation hospital per discharge rate by the same amount. Consequently, the combined inpatient and outpatient supplemental pool amount is \$71,380,072.

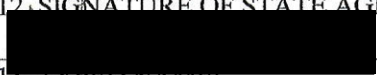

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30), 1903(a) and 1923 of the Social Security Act and the implementing Federal regulations at 42 CFR 447. We are pleased to inform you that Medicaid State plan amendment 18-0011 is approved effective May 30, 2018. 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

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b>		1. TRANSMITTAL NUMBER: 18-0011A	2. STATE Maine
<b>FOR: HEALTH CARE FINANCING ADMINISTRATION</b>		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 May 30, 2018	
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 CFR 447		7. FEDERAL BUDGET IMPACT: a. FFY 2017 increase: \$0 b. FFY 2018 decrease: \$0	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-A, Pages 7-8		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT ( <i>If Applicable</i> ): Attachment 4.19-A, Pages 7-8	
10. SUBJECT OF AMENDMENT: Changing inpatient hospital supplemental pool dollar amount in addition to discharge rates for rehabilitation hospitals.			
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: Stefanie Nadeau, Director, MaineCare Services	
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: June 13, 2018			
<b>FOR REGIONAL OFFICE USE ONLY</b>			
17. DATE RECEIVED:		18. DATE APPROVED: APR 24 2019	
PLAN APPROVED – ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: MAY 30 2018		20. SIGNATURE OF REGIONAL OFFICIAL: 	
21. TYPED NAME: Kristin Fan		22. TITLE: Director, FMG	
23. REMARKS: Pen and ink changes in box #4 per state in 3/18/2019 RAI response.			



## Inpatient Hospital Services Detailed Description of Reimbursement

Page 7

costs + Disproportionate Share Payments (for eligible hospitals) and supplemental pool reimbursements.

**a. Inpatient Services**

Effective May 30, 2018 the Department will reimburse \$15,161.43 per discharge paid based on claims submitted. Payment for these services is not subject to cost settlement.

**b. Capital and Graduate Medical Education Costs**

MaineCare will reimburse its share of inpatient capital costs and all graduate medical education costs.

**c. Hospital based Physicians**

MaineCare will reimburse 93.3% of its share of inpatient hospital based physician costs. Hospitals will initially be reimbursed based on claim forms filed with the Department. These payments are subsequently subject to cost settlement.

**d. Third Party Liability Costs**

MaineCare will reimburse its share of third party liability.

**D-2 Interim Cost Settlement**

The Department calculates the Interim Cost Settlement using the hospital's As-Filed Medicare Cost Report, MaineCare Supplemental Data Form and MaineCare paid claims history for the year for which interim settlement is being performed. Cost settlement is performed for hospital based physician costs and for capital costs.

**D-3 Final Cost Settlement**

The Department of Health and Human Services calculates the final settlement with a hospital using the same methodology as used when calculating the interim settlement, except that the data sources used are the Medicare Final Cost Report, MaineCare Supplemental Data Form and MaineCare paid claims history for the year for which settlement is being performed.

**E ACUTE CARE CRITICAL ACCESS HOSPITALS AND HOSPITALS RECLASSIFIED TO A WAGE AREA OUTSIDE MAINE BY THE MEDICARE GEOGRAPHIC CLASSIFICATION REVIEW BOARD (MGCRB) PRIOR TO OCTOBER 1, 2008**

All calculations made in relation to these hospitals must be made in accordance with the requirements for completion of the Medicare Cost Report and Generally Accepted Accounting Principles, unless otherwise noted, plus a DSH adjustment payment for eligible hospitals.

**E-1 Department's Inpatient Obligation to the Hospital**

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. Effective May 30, 2018 the total pool (inpatient and outpatient) shall equal \$71,380,072. Subject to compliance with all applicable federal rules and payment limits, including 42 CFR 447.271 and 42 CFR 447.272, up to \$27,600,000 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