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State/Territory Name: MN

State Plan Amendment (SPA) #: 15-0022

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form (with 179-like data)
- 3) Approved SPA Pages

Department of Health & Human Services
Centers for Medicare & Medicaid Services
233 North Michigan Avenue, Suite 600
Chicago, Illinois 60601-5519



May 26, 2017

Marie Zimmerman, State Medicaid Director
Minnesota Department of Human Services
P.O. Box 64983
St. Paul, MN 55164-0983

Dear Ms. Zimmerman:

Enclosed for your records is an approved copy of the following State Plan Amendment:

Transmittal #15-0022 --revises payment rates for providers specializing in the treatment of cerebral palsy, spina bifida, epilepsy, closed head injuries, and orthopedic conditions.

 --Effective Date: July 1, 2015

 --Approval Date: May 26, 2017

If you have any additional questions, please have a member of your staff contact Sandra Porter at (312) 353-8310 or via e-mail at Sandra.Porter@cms.hhs.gov.

Sincerely,

/s/

Ruth A. Hughes
Associate Regional Administrator
Division of Medicaid and Children's Health Operations

Enclosures

cc: Ann Berg, MDHS
 Sean Barrett, MDHS

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

1. TRANSMITTAL NUMBER:

15-22

2. STATE

Minnesota

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

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

4. PROPOSED EFFECTIVE DATE

July 1, 2015

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 §§ 440.20, 440.30, 440.70, 440.110, 440.120

7. FEDERAL BUDGET IMPACT (in thousands):

a. FFY '16 : \$2,077

b. FFY '17: \$2,203

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19-B, pages 3c, ~~6a~~, 27a, 33, 34, 35 and 39
Attachment 4.19-B, Supplement 2, page 16

(Pen/ink change - pg. 6a - S. Porter-CMS 05-18-17)

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (*If Applicable*):

Attachment 4.19-B, pages 3c, ~~6a~~, 27a, 33, 34, 35 and 39

(Pen/ink change - pg. 6a - S. Porter-CMS 05-18-17)

10. SUBJECT OF AMENDMENT:

Miscellaneous Payment Rates

11. GOVERNOR'S REVIEW (*Check One*):

GOVERNOR'S OFFICE REPORTED NO COMMENT
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

OTHER, AS SPECIFIED:

12. SIGNATURE OF STATE AGENCY OFFICIAL:

16. RETURN TO:

Sean Barrett
Minnesota Department of Human Services
Federal Relations Unit
PO Box 64983
St. Paul, MN 55164-0983

13. TYPED NAME:

Ann Berg

14. TITLE:

Deputy Medicaid Director

15. DATE SUBMITTED:

September 29, 2015

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

September 29, 2015

18. DATE APPROVED:

May 26, 2017

PLAN APPROVED – ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

July 1, 2015

20. SIGNATURE OF REGIONAL OFFICIAL:

/s/

21. TYPED NAME:

Ruth A. Hughes

22. TITLE:

Associate Regional Administrator

23. REMARKS:

STATE: MINNESOTA
Effective: July 1, 2015
TN: 15-22
Approved: 5/26/17
Supersedes: 14-11 (11-19, 11-02, 09-25, 07-08, 97-21, 97-05)

ATTACHMENT 4.19-B
Page 3c

2.a. Outpatient hospital services, (cont.)

Outpatient chemical abuse programs services are paid using the same methodology in item 13.d., Rehabilitative services.

The base rates as described in this item are adjusted by the following clauses of Supplement 2 of this Attachment:

- A. IHS/638 Facilities.
- B. Critical Access Hospitals paid on a cost-payment system.
- C. TPL.
- D. MinnesotaCare tax rate adjustment.
- E. Modifiers subject to an increase in base payment rate.
- K. Copay converted to \$2.50 provider rate reduction.
- M. Rate decrease effective 07/01/02.
- N. Rate decrease effective 03/01/03.
- R. Professional services rate decrease effective 7/1/09.
- S. Professional services rate decrease effective 7/1/10.
- U. Facility services decrease 07/01/09.
- Z. Outpatient hospital facility rate decrease 2011.
- aa. ~~Renal dialysis rates are adjusted by m~~ Miscellaneous services and materials rate decrease 2011.
- gg. Miscellaneous services and materials rate increase effective September 1, 2014.
- jj. Rate increase for miscellaneous services, effective July 1, 2015.

7.c. Medical supplies, equipment, and appliances suitable for use in the home. (continued)

Effective September 1, 2011, augmentative and alternative communication device manufacturers and vendors must be paid the lower of the:

- (1) submitted charge; or
- (2) (a) manufacturer's suggested retail price minus 20 percent for providers that are manufacturers of augmentative and alternative communication systems; or
(b) manufacturer's invoice charge plus 20 percent for providers that are not manufacturers of augmentative and alternative communication systems.

Enteral products are paid the lower of:

- (1) submitted charge; or
 - (2) the 50th percentile of the usual and customary charges submitted for the previous two calendar years minus 20 percent, plus current calendar year Medicare inflation factors; or
 - (3) if a payment rate cannot be calculated using submitted charges, an amount determined using one of the following methodologies:
 - a) the manufacturer's suggested retail price minus 20 percent; or
 - b) if no information exists about manufacturer's suggested retail price, payment is based on cost (wholesale) plus 20 percent.
- Pediatric enteral products may be paid at the average wholesale price.

Parental products are paid using the methodology in items 12.a., Prescribed drugs, for drugs dispensed by a pharmacy.

Effective for services provided on or after October 1, 2011, home infusion therapy services provided by home infusion pharmacies are paid the lower of:

- (1) the submitted charge; or
- (2) a per diem amount for home infusion therapy services as defined in home infusion HCPCS codes. The per diem rate is equal to the combined payment rates for the component services which include, but are not limited to, medical supplies and equipment, professional pharmacy services, care coordination, delivery and shipping and products used in a standard total parental nutrition formula.

No dispensing fee is paid for home infusion therapies when dispensed by home infusion pharmacies.

The base rates as described above in this item, are adjusted by the following clauses of Supplement 2 of this Attachment:

- U. Facility services rate decrease 2009.
- aa. Miscellaneous services and materials rate decrease 2011.
- ee. Rate decrease effective July 1, 2014.
- gg. Miscellaneous services and materials rate increase effective September 1, 2014.
- hh. Rate increase effective July 1, 2015.
- jj. Rate increase for miscellaneous services, effective July 1, 2015.

STATE: MINNESOTA
Effective: July 1, 2015
TN: 15-22
Approved: 5/26/17
Supersedes: 14-11 (11-19, 01-13, 00-11)

ATTACHMENT 4.19-B
Page 33

11.a. Physical therapy.

Physical therapy services are paid using the same methodology as item 5.a., Physicians' services.

Effective for services provided on or after January 1, 1997, physical therapy assistants are paid the lower of:

- (1) submitted charge; or
- (2) 100% of the fee schedule rate if the services are provided under the direction of the physical therapist who is on the premises; or
- (3) 65% of the fee schedule rate if the services are provided when the physical therapist is not on the premises.

The base rates as described in this item are adjusted by the following clauses of Supplement 2 of this Attachment:

- aa. Miscellaneous services and materials rate decrease 2011.
- ff. Professional services rate increase effective September 1, 2014.
- jj. Rate increase for miscellaneous services, effective July 1, 2015

STATE: MINNESOTA
Effective: July 1, 2015
TN: 15-22

ATTACHMENT 4.19-B
Page 34

Approved: 5/26/17

Supersedes: 14-11 (11-23, 11-19, 00-11, 97-21)

11.b. Occupational therapy.

Occupational therapy services are paid using the same methodology as item 5.a., Physicians' services.

Occupational therapy assistants are paid the lower of:

- (1) submitted charge; or
- (2) 100% of the fee schedule rate if the services are provided under the direction of the occupational therapist who is on the premises; or
- (3) 65% of the fee schedule rate if the services are provided when the occupational therapist is not on the premises.

The base rates as described in this item are adjusted by the following clauses of Supplement 2 of this Attachment:

- aa. Miscellaneous services and materials rate decrease 2011.
- bb. Reimbursement for costs of services provided by a non-state, government-operated community mental health center.
- ff. Professional services rate increase effective September 1, 2014.
- jj. Rate increase for miscellaneous services, effective July 1, 2015.

STATE: MINNESOTA
Effective: July 1, 2015
TN: 15-22
Approved: 5/26/17
Supersedes: 14-11 (11-19, 00-11, 98-20)

ATTACHMENT 4.19-B
Page 35

11.c. Speech, language, and hearing therapy services (provided by or under the supervision of a speech pathologist or audiologist).

Speech, language, and hearing therapy services are paid using the same methodology as item 5.a., Physicians' services.

The base rates as described in this item are adjusted by the following clauses of Supplement 2 of this Attachment:

- W. Professional services rate decrease 2011.
- ff. Professional services rate increase effective September 1, 2014.
- jj. Rate increase for miscellaneous services, effective July 1, 2015.

STATE: MINNESOTA
Effective: July 1, 2015
TN: 15-22

ATTACHMENT 4.19-B
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Approved: 5/26/17

Supersedes: 15-12 (14-11, 11-19, 11-02, 09-25, 00-11, 7-21)

12.c. Prosthetic devices.

Payment is the lower of:

- (1) submitted charge;
- (2) Medicare fee schedule amount; or
- (3) if Medicare has not established a payment amount for the prosthetic or orthotic device, an amount determined using one of the following methodologies:
 - (a) 50th percentile of the usual and customary charges submitted for the prosthetic or orthotic device for the previous calendar year minus 20 percent;
 - (b) if no information about usual and customary charges exists for the previous calendar year, payment is based upon the manufacturer's suggested retail price minus 20 percent; or
 - (c) if no information exists about the manufacturer's suggested retail price, payment is based upon the wholesale cost plus 20 percent.

The base rates as described in this item, except for those that apply to state operated dental clinics, are adjusted by the following clauses of Supplement 2 of this Attachment:

- U. Facility services rate decrease 2009.
- aa. Miscellaneous services and materials rate decrease 2011.
- ee. Rate decrease effective July 1, 2014.
- hh. Rate increase effective July 1, 2015.
- jj. Rate increase for miscellaneous services, effective July 1, 2015.

STATE: MINNESOTA
Effective: July 1, 2015
TN: 15-22
Approved: 5/26/17
Supersedes: 15-21

Supplement 2 to ATTACHMENT 4.19-B
Page 16

ii. Dental Services rate increase 2015

Effective for dental services provided by dental providers located outside of the seven-county metropolitan area on or after July 1, 2015, payment rates shall be increased by 9.65 percent from the rates in effect on June 30, 2015. This increase does not apply to state-operated dental clinics, federally qualified health centers, rural health centers, Indian Health Service, and tribal 638 facilities.

jj. Rate increase for miscellaneous services, effective July 1, 2015

Effective July 1, 2015, payment rates for the following services are increased 90 percent from the rates in effect on June 30, 2015, when provided by an essential community provider that was formerly a state hospital, and is now an outpatient hospital specializing in the treatment of cerebral palsy, spina bifida, epilepsy, closed head injuries, specialized orthopedic problems, and other disabling conditions:

Outpatient hospital facility fees (Item 2.a)

Medical supplies and durable medical equipment not subject to a volume purchase agreement (Item 7.c)

Physical therapy (Item 11.a)

Occupational therapy (Item 11.b)

Speech pathology (Item 11.c)

Prosthetics and orthotics (Item 12.c)

Payments made under this item are not limited by item H of this supplement.