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**State/Territory Name:** North Dakota

**State Plan Amendment (SPA) #:** ND-09-022

This file contains the following documents in the order listed:

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

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
7500 Security Boulevard, Mail Stop S2-26-12  
Baltimore, Maryland 21244-1850



**Center for Medicaid and State Operations, CMSO**

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DEC 22 2009

Ms. Maggie D. Anderson, Director  
Division of Medical Services  
Department of Human Services  
600 East Boulevard Avenue  
Department 325  
Bismarck, ND 58505-0250

Re: North Dakota 09-022


Dear Ms. Anderson:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 09-022. Effective for services on or after July 1, 2009, this amendment modifies the reimbursement methodology to North Dakota's inpatient hospital reimbursement section. Specifically, this amendment provides for a supplemental payment to qualifying Critical Access Hospitals.

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 Subpart C. We are pleased to inform you that Medicaid State plan amendment TN 09-022 is approved effective July 1, 2009. The HCFA-179 and the amended plan page are attached.

If you have any questions, please contact Christine Storey at (303) 844-7044.

Sincerely,

  
Cindy Mann  
Director  
Center for Medicaid and State Operations

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b>		1. TRANSMITTAL NUMBER: <b>09-022</b>	2. STATE <b>North Dakota</b>
FOR: HEALTH CARE FINANCING ADMINISTRATION		3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES		4. PROPOSED EFFECTIVE DATE <b>July 1, 2009</b>	
5. TYPE OF PLAN MATERIAL (Check One): <input checked="" type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input type="checkbox"/> AMENDMENT COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)			
6. FEDERAL STATUTE/REGULATION CITATION: <b>42CFR447 subpart C</b>		7. FEDERAL BUDGET IMPACT: a. FFY <u>2010</u> \$ <u>98,875</u> b. FFY <u>2011</u> \$ <u>93,135</u>	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: <b>Attachment 4.19-A, Page 9 (new)</b>		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable):	
10. SUBJECT OF AMENDMENT: <b>Amends the State Plan to provide for a supplemental payment for laboratory and anesthetist services to critical access hospitals when revenues for Medicaid exceed 25% of the hospital's annual revenues.</b>			
11. GOVERNOR'S REVIEW (Check One): <input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input checked="" type="checkbox"/> OTHER, AS SPECIFIED: <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <u>Maggie D. Anderson, Director,</u> <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL <u>Medical Services Division</u>			
12. SIGNATURE OF STATE AGENCY OFFICIAL		16. RETURN TO:	
13. TYPED NAME: <b>Maggie D. Anderson</b>		<b>Maggie D. Anderson, Director</b> <b>Division of Medical Services</b> <b>ND Department of Human Services</b> <b>600 East Boulevard Avenue Dept 325</b> <b>Bismarck ND 58505-0250</b>	
14. TITLE: <b>Director, Division of Medical Services</b>			
15. DATE SUBMITTED: <b>September 29, 2009</b>			

17. DATE RECEIVED:		18. DATE APPROVED:	
19. EFFECTIVE DATE OF APPROVED MATERIAL: <b>2009-07-01</b>		20. PLAN APPROVED - ONE COPY ATTACHED	
21. TYPE NAME: <b>William Lesanski</b>		22. TITLE: <b>Deputy Director</b>	
23. REMARKS:			

**Supplemental Payment for Inpatient Hospital Services provided by Critical Access Hospitals.**

Effective July 1, 2009, a North Dakota critical access hospital, that is located in a city with a population that does not exceed 1,450 and has revenue from medical assistance exceeding 25% of its annual revenue, shall receive two supplemental payments payable annually with the first payment being made no sooner than the quarter ending March 31, 2010 and the second payment being made no sooner than the quarter ending March 31, 2011 but no later than the quarter ending June 30, 2011.

The purpose of the supplemental payments is to provide additional payment to qualifying hospitals for inpatient services provided to Medicaid eligible individuals. The calculation of the annual supplemental payment shall be made based on the hospital's costs for inpatient and outpatient laboratory and certified registered nurse anesthetists services provided to Medicaid eligible individuals as reported on the Medicare cost report with a fiscal year ending during calendar years 2009 and 2010 less the payment, from all funding sources, for covered laboratory and certified registered nurse anesthetist services provided to Medicaid eligible individuals.

The supplemental payment established in accordance with this provision may not exceed the difference between the hospital's inpatient Medicaid expenditures and the Medicare upper payment limit in the aggregate, for inpatient hospital services.

Qualifying providers are exempt from the cost limitations on page 2 of this section.