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State/Territory Name: North Dakota

State Plan Amendment (SPA) #: ND-09-027

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

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

MAR 22 2010

Re: North Dakota 09-027

Dear Ms. Anderson:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 09-027. Effective for services on or after January 1, 2010, this amendment modifies the reimbursement methodology for calculating Disproportionate Share Payments for 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 09-027 is approved effective January 1, 2010. The HCFA-179 and the amended plan page are attached.

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

Sincerely,

A black rectangular redaction box covering the signature of the sender.

Cindy Mann
Director
Center for Medicaid and State Operations

CORRECTED

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL	1. TRANSMITTAL NUMBER: 09-027	2. STATE North Dakota
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FOR: HEALTH CARE FINANCING ADMINISTRATION	3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)
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TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES	4. PROPOSED EFFECTIVE DATE January 1, 2010
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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 Subpart E	7. FEDERAL BUDGET IMPACT: a. FFY <u>2010</u> \$ <u>296,652</u> b. FFY <u>2011</u> \$ <u>419,268</u>
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8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-A, page 4	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Attachment 4.19-A, page 4
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10. SUBJECT OF AMENDMENT:
Amends the ND State Plan for the purposes of including an exemption for Critical Access Hospitals for DSH eligibility and to change the methodology for calculating the DSH payment for Critical Access Hospitals.

11. GOVERNOR'S REVIEW (Check One):

GOVERNOR'S OFFICE REPORTED NO COMMENT OTHER, AS SPECIFIED:
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED Maggie D. Anderson, Director,
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL Medical Services Division

12. S [REDACTED]	16. RETURN TO: Maggie D. Anderson, Director Division of Medical Services ND Department of Human Services 600 East Boulevard Avenue Dept 325 Bismarck ND 58505-0250
13. TYPED NAME: ^{SS} Maggie D. Anderson	
14. TITLE: Director, Division of Medical Services	
15. DATE SUBMITTED: December 21, 2009 March 15, 2010	

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:	18. DATE APPROVED: 3-22-10
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PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL: JAN - 1 2010	20. [REDACTED]
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21. TYPED NAME: William Lasowski	22. TITLE: Deputy Director, CMSO
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23. REMARKS:

inpatient services in the same period. The total number of inpatient charges attributed to charity care shall not include contractual allowances and discounts (other than for indigent patients not eligible for medical assistance under an approved Medicaid State Plan) that is, reductions in charges given to other third-party payers, such as HMO's, Medicare, or Blue Cross.

- e. A hospital which wishes to be considered for disproportionate share payments based on a low income utilization rate must submit, annually, a request indicating this desire and information sufficient to enable the computation of the low income utilization rate by April 1.
- f. For the purpose of paying disproportionate share hospitals, there are four categories of hospitals: hospitals paid using PPS; the state psychiatric hospital; critical access hospitals, and other hospitals.
- g. DSH payment adjustments are calculated as follows:
 - (1) Eligible hospitals paid using PPS and eligible critical access hospitals will receive a DSH payment adjustment equal to four percent plus an additional one percent for each percentage point that the hospital's Medicaid utilization rate exceeds one standard deviation above the state's mean inpatient utilization rate for all hospitals receiving Medicaid payments. The eligible hospital's base DRG payment or the per diem payment for the quarter being reported on form 64 will be multiplied times the DSH adjustment percentage to determine the DSH payment amount for the quarter.
 - (2) Eligible other hospitals will receive a DSH payment adjustment equal to \$1.00 plus one-tenth of one percent for each percentage point that the hospital's Medicaid utilization rate exceeds one standard deviation above the state's mean inpatient utilization rate for all hospitals receiving Medicaid payments. The eligible hospital's actual interim payments for the quarter being reported on form 64 will be multiplied times the DSH adjustment percentage to establish the hospital's DSH payment adjustment. The DSH payment adjustment is final and no recoupment or additional payment for DSH will be made when a settlement of the interim payment to reasonable cost is made.