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State/Territory Name: North Dakota

State Plan Amendment (SPA) #: ND-11-004

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 , CHIP, and Survey & Certification

AUG 26 2011

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 11-004

Dear Ms. Anderson:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 11-004. Effective for services on or after July 1, 2011, this amendment updates the State plan to create annual supplemental payments to all in-state 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 (the Act) and the regulations at 42 CFR 447 Subpart C. We are pleased to inform you that Medicaid State plan amendment TN 11-004 is approved effective July 1, 2011. 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, CMCS

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**

1. TRANSMITTAL NUMBER:

11-004

2. STATE

North Dakota

FOR: HEALTH CARE FINANCING ADMINISTRATION

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

4. PROPOSED EFFECTIVE DATE

July 1, 2011

TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

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:

42CFR447 subpart C

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19-A, page 9

7. FEDERAL BUDGET IMPACT:

a. FFY 2011 \$ -0-
b. FFY 2012 \$ 956,100.00

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION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

Attachment 4.19-A, Page 9

10. SUBJECT OF AMENDMENT:

Amends the ND State Plan to create a yearly supplemental payment for all in-state critical access hospitals.

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:
**Maggie D. Anderson, Director,
Medical Services Division**

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:

Maggie D. Anderson

14. TITLE:

Director, Division of Medical Services

15. DATE SUBMITTED:

6-10-2011

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**

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

18. DATE APPROVED:

AUG 26 2011

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

JUL - 1 2011

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME:

Penny Thompson

22. TITLE:

Deputy Director, CMCS

23. REMARKS:

Supplemental Payment for Inpatient Hospital Services Provided by Critical Access Hospitals.

Effective July 1, 2011, a North Dakota critical access hospital shall receive two supplemental payments payable annually with the first payment being made no sooner than the quarter ending December 31, 2011 but not later than the quarter ending June 30, 2012 and the second payment being made no sooner than the quarter ending December 31, 2012 but not later than the quarter ending June 30, 2013. The annual supplemental payment shall be made in combination with the cost settlement to reasonable costs.

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 hospital's most recent Medicare cost report that has been audited and finalized by the Medicare fiscal intermediary less the payment, from all funding sources, received during the same cost report period 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 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.

TN No. 11-004
Supersedes
TN No. 09-022

Approval Date: AUG 26 2011

Effective Date: 7-01-2011