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State/Territory Name: North Dakota

State Plan Amendment (SPA) #: ND-11-005

This file contains the following documents in the order listed:

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

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

1. TRANSMITTAL NUMBER:

11-005

2. STATE

North Dakota

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

July 1, 2011

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 445 subpart D

7. FEDERAL BUDGET IMPACT:

a. FFY 2011 \$ -0-
b. FFY 2012 \$ -0-

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19-A, page 5 and 5a

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION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

Attachment 4.19-A, Page 5

10. SUBJECT OF AMENDMENT:

Amends the ND State Plan to redistribute overpayments resulting from a DSH audit.

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:

SEP - 6 2011

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

JUL - 1 2011

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME:

Randy Thompson

22. TITLE:

Deputy Director, CMCS

23. REMARKS:

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

SEP -6 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 11-005

Dear Ms. Anderson:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 11-005. Effective for services on or after July 1, 2011, this amendment updates the State plan to redistribute overpayments resulting from a Disproportionate Share Hospital (DSH) audit.

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 11-005 is approved effective July 1, 2011. The HCFA-179 and the amended plan pages are attached.

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

Sincerely,

Cindy Mann
Director, CMCS

- (3) If eligible, the state psychiatric hospital will receive a DSH payment adjustment calculated as an amount equal to \$1.00 plus the state's disproportionate share allotment less the quarterly DSH payment adjustments made to all other eligible hospitals. The DSH payment adjustment to the state hospital will be made quarterly. The quarterly payment will be calculated by dividing the state's annual disproportionate share allotment by four and subtracting all disproportionate share payments made to other eligible hospitals in that quarter. Any adjustments to the state's disproportionate allotment will be corrected in the quarter the adjustment is made.
- h. DSH payment adjustments will be limited as follows:
 - (1) Effective July 1, 1995 the DSH payment adjustment for any eligible hospital may not exceed the greater of the total of the unreimbursed costs of providing services to Medicaid recipients and of providing services to uninsured patients or the limitations set forth in section 1923(g) of the Act.
 - (2) If requested by the department, eligible hospitals must submit information on unreimbursed costs of providing hospital services to Medicaid recipients and of providing hospital services to uninsured patients before a DSH payment adjustment can be made.
 - (3) Total DSH payment adjustments paid to all eligible hospitals may not exceed the state's DSH allotment.
 - i. An independent certified audit will be submitted to CMS for each completed Medicaid State plan rate year, consistent with 42 CFR Part 455, Subpart D.
 - (1) To the extent that audit findings demonstrate that DSH payments exceed the documented hospital specific cost limits, the overpayments will be collected and redistributed.
 - (2) Any overpayments collected will be redistributed to the other hospitals that were eligible and received payments during the corresponding DSH year. The payment will be based on the eligible hospital's proportioned of uninsured cost relative to aggregate of uninsured costs of all eligible hospitals who received payments during the corresponding DSH year and who do not exceed their hospital specific DSH limit.
4. Out-of-State Inpatient Hospital Service Payments.
 - a. Out-of-state inpatient hospital service payments, except as identified below, shall be paid based on a percent of billed charges established by the Medicaid agency which shall not be less than 35%. The percent paid may be adjusted annually on July 1.
 - b. The department may negotiate a payment methodology for organ transplants performed by out-of-state hospitals.

5. Inpatient Psychiatric Services for Individuals Under 21.
- a. Payments for inpatient psychiatric services for individuals under twenty-one provided in licensed residential treatment centers will be made using a prospective payment system developed by the state specifically for residential treatment centers as set forth in North Dakota Administrative Code, 75-02-09.
 - b. Payments for inpatient psychiatric services for individuals under twenty-one provided for in private psychiatric hospitals or psychiatric distinct part units will be made using the per diem rate established per paragraph 2.b.
 - c. Payments for inpatient psychiatric services for individuals under twenty-one provided for in the state hospital will be made based on reasonable costs. The state hospital will be paid on an interim basis using a cost to charge ratio until a cost settlement is made.