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State/Territory Name: North Dakota

State Plan Amendment (SPA) #: ND-12-005

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 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 CHIP Services

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

APR 27 2012

Re: North Dakota 12-005

Dear Ms. Anderson:

We have reviewed the proposed amendment to Attachment 4.19-A and Attachment 4.19-B of your Medicaid State plan submitted under transmittal number (TN) 12-005. Effective for services on or after March 1, 2012, this amendment modifies the reimbursement methodology necessary to comply with CMS' regulations specific for provider preventable conditions.

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 12-005 is approved effective March 1, 2012. The CMS-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

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL		1. TRANSMITTAL NUMBER: 12-005	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 March 1, 2012	
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: 42 CFR 447, 434, 438 and 1902(a)(4), 1902(a)(6), and 1903		7. FEDERAL BUDGET IMPACT: a. FFY <u>2012</u> \$ <u>(2,319.36)</u> b. FFY <u>2013</u> \$ <u>(4,376.65)</u>	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-A, Pages 10 & 11 (NEW) Attachment 4.19-B, Page 9 (NEW)		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable):	
10. SUBJECT OF AMENDMENT: Amends the State Plan to identify Health Care-Acquired Conditions, and other provider-preventable conditions for non-payment.			
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: Maggie D. Anderson		Maggie D. Anderson, Director Division of Medical Services ND Department of Human Services 600 East Boulevard Avenue Dept 325 Bismarck ND 58505-0250	
14. TITLE: Director, Division of Medical Services			
15. DATE SUBMITTED: February 16, 2012			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED:		18. DATE APPROVED: APR 27 2012	
PLAN APPROVED - ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: MAR - 1 2012		20. SIGNATURE OF REGIONAL OFFICIAL: <i>[Signature]</i>	
21. TYPED NAME: Penny Thompson		22. TITLE: Deputy Director, CMCS	
23. REMARKS:			

Citation

42 CFR 447,
434, 438; and
1902(a)(4),
1902(a)(6),
and 1903

Payment Adjustment for Provider Preventable Conditions

The Medicaid agency meets the requirements of 42 CFR Part 447, Subpart A, and sections 1902(a)(4), 1902(a)(6), and 1903 with respect to non-payment for provider-preventable conditions.

Health Care-Acquired Conditions

The State identifies the following Health Care-Acquired Conditions for non-payment:

 X Hospital-Acquired Conditions as identified by Medicare other than Deep Vein Thrombosis (DVT)/Pulmonary Embolism (PE) following total knee replacement or hip replacement surgery in pediatric and obstetric patients.

Prospective Payment (PPS) Hospitals-For claims with dates of service on or after March 1, 2012, when a health care-acquired condition occurs during hospitalization and the condition was not present on admission, claims shall be paid as though the health care acquired diagnosis is not present.

Hospitals excluded from prospective payment system-For claims with dates of service on or after March 1, 2012, when a health care-acquired condition occurs during hospitalization and the condition was not present on admission, payment on claims shall be decreased by a percentage reduction. The percentage reduction is calculated as the covered charges for the health care-acquired conditions divided by the total charges.

Other Provider-Preventable Conditions

The State identifies the following Other Provider-Preventable Conditions for non-payment:

 X Wrong surgical or other invasive procedure performed on a patient; surgical or other invasive procedure performed on the wrong body part; surgical or other invasive procedure performed on the wrong patient.

North Dakota Medicaid will adopt the baseline for other provider preventable conditions as identified by Medicare. The following reimbursement changes will apply:

Payment will be denied for these conditions in any health care setting and any other settings where these events may occur such as operating room, clinic, physician's office, etc. For any

Citation

42 CFR 447,
434, 438; and
1902(a)(4),
1902(a)(6),
and 1903

Payment Adjustment for Provider Preventable Conditions (cont.)

The Medicaid agency meets the requirements of 42 CFR Part 447, Subpart A, and sections 1902(a)(4), 1902(a)(6), and 1903 with respect to non-payment for provider-preventable conditions.

Other Provider-Preventable Conditions (continued)

North Dakota Medicaid claim with dates of service on or after March 1, 2012, that contains one of these diagnosis codes, these claims will be denied and will not be reimbursed.

No reduction in payment will be made for a provider preventable condition when the condition existed prior to the initiation of treatment by that provider.

Reduction in payment will be made for a provider preventable condition when the condition existed after to the initiation of treatment by that provider.

Reduction in provider payment may be limited to the extent that the following apply:

1. The identified provider-preventable condition would otherwise result in an increase in payment; and
2. The portion of the payment directly related to treatment for, and related to, the provider-preventable condition can be reasonably isolated.

Non-payment for provider-preventable conditions does not prevent access to services for Medicaid beneficiaries.

If individual cases are identified throughout the PPC implementation period, the State will adjust reimbursement accordingly to the methodologies above.

Citation

Payment Adjustment for Provider Preventable Conditions

42 CFR 447,
434, 438; and
1902(a)(4),
1902(a)(6),
and 1903

The Medicaid agency meets the requirements of 42 CFR Part 447, Subpart A, and sections 1902(a)(4), 1902(a)(6), and 1903 with respect to non-payment for provider-preventable conditions.

Other Provider-Preventable Conditions

The State identifies the following Other Provider-Preventable Conditions for non-payment:

 X Wrong surgical or other invasive procedure performed on a patient; surgical or other invasive procedure performed on the wrong body part; surgical or other invasive procedure performed on the wrong patient.

North Dakota Medicaid will adopt the baseline for other provider preventable conditions as identified by Medicare. The following reimbursement changes will apply:

Payment will be denied for these conditions in any health care setting and any other settings where these events may occur such as operating room, clinic, physician’s office, etc. For any North Dakota Medicaid claim with dates of service on or after March 1, 2012, that contains one of these diagnosis codes or modifiers; these claims will be denied and will not be reimbursed. Reimbursement for PPS hospitals regarding other provider preventable conditions is identified on page 10, of Attachment 4.19A.

No reduction in payment will be made for a provider preventable condition when the condition existed prior to the initiation of treatment by that provider.

Reduction in payment will be made for a provider preventable condition when the condition existed after the initiation of treatment by that provider.

Reduction in provider payment may be limited to the extent that the following apply:

1. The identified provider-preventable condition would otherwise result in an increase in payment; and
2. The portion of the payment directly related to treatment for, and related to, the provider-preventable condition can be reasonably isolated.

Non-payment for provider-preventable conditions does not prevent access to services for Medicaid beneficiaries. If individual cases are identified throughout the PPC implementation period, the State will adjust reimbursements according to the methodologies above.