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State/Territory Name: North Dakota

State Plan Amendment (SPA) #: ND-13-025

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form (with 179-like data)
- 3) Approved SPA Pages
- 4) Additional Attachments that are part of the state plan

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
Denver Regional Office
1600 Broadway, Suite #700
Denver, CO 80202-4967



REGION VIII - DENVER

July 22, 2014

Julie F. Schwab, Medicaid Director
North Dakota Department of Human Services
600 E. Boulevard Ave, Dept. 325
Bismarck, ND 58505-0250

Re: North Dakota Title XIX FMAP State Plan Amendment, Transmittal # 13-025

Dear Ms. Schwab:

We have reviewed the proposed Federal Medical Assistance Payment (FMAP) State Plan Amendment (SPA), TN 13-025, received in the Denver Regional Office on December 12, 2013. This SPA describes the methodology used by the state for determining the appropriate FMAP rates, including the increased FMAP rates, available under the provisions of the Affordable Care Act applicable for the medical assistance expenditures under the Medicaid program associated with enrollees in the new adult group adopted by the state and described in 42 CRR 435.119.

Based on the information provided, the Medicaid SPA 13-025 is approved with an effective date of January 1, 2014. We are enclosing the approved Form CMS-179 and the Medicaid state plan pages.

If you have any questions, please contact Ann Clemens of my staff at (303) 844-2125 or via email at Ann.Clemens@cms.hhs.gov.

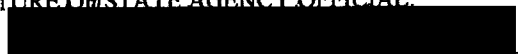
Sincerely,

/s/

Richard C. Allen
Associate Regional Administrator
Divisions of Medicaid & Children's Health Operations

cc: Maggie Anderson, North Dakota

Enclosures

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: HEALTH CARE FINANCING ADMINISTRATION		1. TRANSMITTAL NUMBER: 13 - 025	2. STATE North Dakota
		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 January 1, 2014	
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 checked="" type="checkbox"/> ^{ac} AMENDMENT COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)			
6. FEDERAL STATUTE/REGULATION CITATION: 42 CFR 435.119		7. FEDERAL BUDGET IMPACT: a. FFY <u>2014</u> \$ <u>0.00</u> b. FFY <u>2015</u> \$ <u>0.00</u>	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Supplement 18 to Attachment 2.6-A, Pages 1-6 Attachment A to Supplement 18 to Attachment 2.6-A, Page 1 - 6 Attachment B to Supplement 18 to Attachment 2.6-A, Pages 1.		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable):	
10. SUBJECT OF AMENDMENT: Methodology for Identification of Applicable FMAP Rates			
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>Delegated to Single State Medicaid agency</u> <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL			
12. SIGNATURE OF STATE AGENCY OFFICIAL: 		16. RETURN TO: Maggie D. Anderson, Executive Director ND Department of Human Services 600 East Boulevard Avenue Dept 325 Bismarck ND 58505-0250	
13. TYPED NAME: Maggie D. Anderson			
14. TITLE: Executive Director, ND Dept. of Human Services			
15. DATE SUBMITTED: December 12, 2013			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED: December 12, 2013		18. DATE APPROVED: July 22, 2014	
PLAN APPROVED - ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: January 1, 2014		20. SIGNATURE OF REGIONAL OFFICIAL: /s/	
21. TYPED NAME: Richard C. Allen		22. TITLE: ARA, DMCHO	
23. REMARKS:			

State Plan Under Title XIX of the Social Security Act

State: North Dakota

METHODOLOGY FOR IDENTIFICATION OF APPLICABLE FMAP RATES

The State will determine the appropriate FMAP rate for expenditures for individuals enrolled in the adult group described in 42 CFR 435.119 and receiving benefits in accordance with 42 CFR Part 440 Subpart C. The adult group FMAP methodology consists of two parts: an individual-based determination related to enrolled individuals, and as applicable, appropriate population-based adjustments.

Part 1 – Adult Group Individual Income-Based Determinations

For individuals eligible in the adult group, the state will make an individual income-based determination for purposes of the adult group FMAP methodology by comparing individual income to the relevant converted income eligibility standards in effect on December 1, 2009, and included in the MAGI Conversion Plan (Part 2) approved by CMS on 03/24/2014. In general, and subject to any adjustments described in this SPA, under the adult group FMAP methodology, the expenditures of individuals with incomes below the relevant converted income standards for the applicable subgroup are considered as those for which the newly eligible FMAP is not available. The relevant MAGI-converted standards for each population group in the new adult group are described in Table 1.

Table 1: Adult Group Eligibility Standards and FMAP Methodology Features

Covered Populations Within New Adult Group		Applicable Population Adjustment				
Population Group	Relevant Population Group Income Standard	Resource Proxy	Enrollment Cap	Special Circumstances	Other Adjustments	
A	B	C	D	E	F	
	For each population group, indicate the lower of: <ul style="list-style-type: none"> The reference in the MAGI Conversion Plan (Part 2) to the relevant income standard and the appropriate cross-reference, or 133% FPL. If a population group was not covered as of 12/1/09, enter "Not covered".					
Parents/Caretaker Relatives	Attachment A, Column C, Line 1 of Part 2 of the CMS approved MAGI Conversion Plan, including any subsequent CMS approved modifications to the MAGI Conversion Plan.	N/A	N/A	No	No	
Disabled Persons, non-institutionalized	Attachment A, Column C, Line 2 of Part 2 of the CMS approved MAGI Conversion Plan, including any subsequent CMS approved modifications to the MAGI Conversion Plan.	N/A	N/A	No	No	
Disabled Persons, institutionalized	Attachment A, Column C, Line 3 of Part 2 of the CMS approved MAGI Conversion Plan, including any subsequent CMS approved modifications to the MAGI Conversion Plan.	Yes	N/A	No	No	
Children Age 19 or 20	Attachment A, Column C, Line 4 of Part 2 of the CMS approved MAGI Conversion Plan, including any subsequent CMS approved modifications to the MAGI Conversion Plan.	N/A	N/A	No	No	
Childless Adults	Attachment A, Column C, Line 5 of Part 2 of the CMS approved MAGI Conversion Plan, including any subsequent CMS approved modifications to the MAGI Conversion Plan.	N/A	N/A	N/A	N/A	

Part 2 – Population-based Adjustments to the Newly Eligible Population Based on Resource Test, Enrollment Cap or Special Circumstances

A. Optional Resource Criteria Proxy Adjustment (42 CFR 433.206(d))

1. The state:

- Applies a resource proxy adjustment to a population group(s) that was subject to a resource test that was applicable on December 1, 2009.
- Does NOT apply a resource proxy adjustment (Skip items 2 through 3 and go to Section B).

Table 1 indicates the group or groups for which the state applies a resource proxy adjustment to the expenditures applicable for individuals eligible and enrolled under 42 CFR 435.119. A resource proxy adjustment is only permitted for a population group(s) that was subject to a resource test that was applicable on December 1, 2009.

The effective date(s) for application of the resource proxy adjustment is specified and described in Attachment B.

2. Data source used for resource proxy adjustments:

The state:

- Applies existing state data from periods before January 1, 2014.
- Applies data obtained through a post-eligibility statistically valid sample of individuals.

Data used in resource proxy adjustments is described in Attachment B.

3. Resource Proxy Methodology: Attachment B describes the sampling approach or other methodology used for calculating the adjustment.

B. Enrollment Cap Adjustment (42 CFR 433.206(e))

1. An enrollment cap adjustment is applied by the state (complete items 2 through 4).
- An enrollment cap adjustment is not applied by the state (skip items 2 through 4 and go to Section C).

2. Attachment C describes any enrollment caps authorized in section 1115 demonstrations as of December 1, 2009 that are applicable to populations that the state covers in the eligibility group described at 42 CFR 435.119 and received full benefits, benchmark benefits, or benchmark equivalent benefits as determined by CMS. The enrollment cap or caps are as specified in the applicable section 1115 demonstration special terms and conditions as confirmed by CMS, or in alternative authorized cap or caps as confirmed by CMS. Attach CMS correspondence confirming the applicable enrollment cap(s).
3. The state applies a combined enrollment cap adjustment for purposes of claiming FMAP in the adult group:
 Yes. The combined enrollment cap adjustment is described in Attachment C
 No.
4. Enrollment Cap Methodology: Attachment C describes the methodology for calculating the enrollment cap adjustment, including the use of combined enrollment caps, if applicable.

C. Special Circumstances (42 CFR 433.206(g)) and Other Adjustments to the Adult Group FMAP Methodology

1. The state:
 Applies a special circumstances adjustment(s).
 Does not apply a special circumstances adjustment.
2. The state:
 Applies additional adjustment(s) to the adult group FMAP methodology (complete item 3).
 Does not apply any additional adjustment(s) to the adult group FMAP methodology (skip Item 3 and go to Part 3).
3. Attachment D describes the special circumstances and other proxy adjustment(s) that are applied, including the population groups to which the adjustments apply and the methodology for calculating the adjustments.

Part 3 – One-Time Transitions of Previously Covered Populations into the New Adult Group

A. Transitioning Previous Section 1115 and State Plan Populations to the New Adult Group

- Individuals previously eligible for Medicaid coverage through a section 1115 demonstration program or a mandatory or optional state plan eligibility category will be transitioned to the new adult group described in 42 CFR 435.119 in accordance with a CMS-approved transition plan and/or a section 1902(e)(14)(A) waiver. For purposes of claiming federal funding at the appropriate FMAP for the populations transitioned to new adult group, the adult group FMAP methodology is applied pursuant to and as described in Attachment E, and where applicable, is subject to any special circumstances or other adjustments described in Attachment D.
- The state does not have any relevant populations requiring such transitions.

Part 4 - Applicability of Special FMAP Rates

A. Expansion State Designation

The state:

- Does NOT meet the definition of expansion state in 42 CFR 433.204(b). (Skip section B and go to Part 5)
- Meets the definition of expansion state as defined in 42 CFR 433.204(b), determined in accordance with the CMS letter confirming expansion state status, dated _____.

B. Qualification for Temporary 2.2 Percentage Point Increase in FMAP.

The state:

- Does NOT qualify for temporary 2.2 percentage point increase in FMAP under 42 CFR 433.10(c)(7).
- Qualifies for temporary 2.2 percentage point increase in FMAP under 42 CFR 433.10(c)(7), determined in accordance with the CMS letter confirming eligibility for the temporary FMAP increase, dated _____. The state will not claim any federal funding for individuals determined eligible under 42 CFR 435.119 at the FMAP rate described in 42 CFR 433.10(c)(6).

Part 5 - State Attestations

The State attests to the following:

- A. The application of the adult group FMAP methodology will not affect the timing or approval of any individual's eligibility for Medicaid.
- B. The application of the adult group FMAP methodology will not be biased in such a manner as to inappropriately establish the numbers of, or medical assistance expenditures for, individuals determined to be newly or not newly eligible.

ATTACHMENTS

Not all of the attachments indicated below will apply to all states; some attachments may describe methodologies for multiple population groups within the new adult group. Indicate those of the following attachments which are included with this SPA:

- Attachment A – Conversion Plan Standards Referenced in Table 1
- Attachment B – Resource Criteria Proxy Methodology
- Attachment C – Enrollment Cap Methodology
- Attachment D – Special Circumstances Adjustment and Other Adjustments to the Adult Group FMAP Methodology
- Attachment E – Transition Methodologies

PRA Disclosure Statement

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0938-1148. The time required to complete this information collection is estimated to average 4 hours per response, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. If you have comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: CMS, 7500 Security Boulevard, Attn: PRA Reports Clearance Officer, Mail Stop C4-26-05, Baltimore, Maryland 21244-1850.

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
Atlanta Regional Office
61 Forsyth Street, Suite 4T20
Atlanta, Georgia 30303



MEMORANDUM

DECISION MEMO

Date: June 30, 2014

To: Richard Allen, Associate Regional Administrator
Division of Medicaid and Children's Health Operations

From: Ann Clemens
Division of Medicaid and Children's Health Operations

Subject: North Dakota SPA 13-025 – FMAP SPA

Background:

North Dakota submitted SPA 13-025 on December 12, 2013. As required by 42 CFR 433.206(h), States adopting the new adult group described in 42 CFR 435.119 that wish to claim federal funding at the increased federal medical assistance percentages (FMAPs) made available under the Affordable Care Act, for the medical assistance expenditures under the Medicaid program associated with enrollees in the new adult group, must submit a State Plan Amendment to CMS describing the methodology for determining which expenditures may be claimed at the higher FMAP rates.

Tribal consultation is not federally required for FMAP SPAs.

The effective date of this SPA is January 1, 2014.

Since expenditures of individuals enrolled under 42 CF 435.119 are considered to result from states' adoption of the new adult group, the Budget Impact should be specified in the eligibility SPAs submitted by the states adopting such group. That is, the Budget Impact for the FMAP SPAs submitted by states is \$0. Therefore, the Proposed Budget Impact indicated by states for each of the FFYs indicated in Block 7 of the Form CMS-179 for the FMAP SPAs is \$0.

Issues Identified During Review

When the SPA was originally submitted, the state indicated that it would be applying a resource proxy to all populations. After further review, the state indicated that it would only apply a resource proxy for the institutionalized-disabled population. State also needed to submit Part 2 of their conversion plan. Further discussion with the state was needed to identify that the state had calculated the resource proxy amount appropriately and that this calculation was notated in the SPA pages.

Coverage Issues Identified During Review

None identified.

179 Pen and Ink Changes

The original 179 form, box 5 described this as a new plan. It should have been listed as an amendment. The state granted permission for a pen and ink change to the 179 form on 6/27/14 via email.

RAI:

An RAI was issued on March 11, 2014 for the state to provide clarification on their resource proxy methodology as outlined in the identified issues above. The state responded to the RAI on June 23, 2014 and the submission documents are approvable.

Recommendation

I recommend approval of this State Plan Amendment.

Yes No N/A



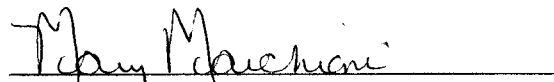
Ann Clemens, Health Insurance Specialist

(Provide rationale)

Program Branch Manager: Concur/Approve

Yes No Non-Concur/Disapprove

(Provide rationale)



Mary Marchioni, Program Branch Manager

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Recommendation

I recommend approval of this State Plan Amendment.

Yes No N/A

(Provide rationale)



Ann Clemens, Health Insurance Specialist

Program Branch Manager: Concur/Approve

Yes No Non-Concur/Disapprove
(Provide rationale)

/s/

Mary Marchioni, Program Branch Manager

Attachment A for ND TN 13-025
Most Recent Updated Summary Information for Part 2 of Modified Adjusted Gross Income (MAGI) Conversion Plan

NORTH DAKOTA

02/28/2014

	Population Group		Converted standard for FMAP claiming	Same as converted eligibility standard? (yes, no, or n/a)	Source of information in Column C (New SIPP conversion or Part 1 of approved state MAGI conversion plan)		Data source for Conversion (SIPP or state data)
	A	B			C	D	
Conversions for FMAP Claiming Purposes							
1	Parents/Caretaker Relatives						
	Dollar standards by family size						
	1	\$311	\$517	yes	Part 1 of approved state MAGI conversion plan	SIPP	
	2	\$417	\$694				
	3	\$523	\$871				
	4	\$629	\$1,048				
	5	\$735	\$1,226				
	6	\$841	\$1,403				
	7	\$947	\$1,580				
	8	\$1,053	\$1,757				
	9	\$1,159	\$1,934				
10	\$1,265	\$2,111					
add-on	\$107	\$178					
2	Noninstitutionalized Disabled Persons						
FPL %	83%	85%	n/a	new SIPP conversion	SIPP		
3	Institutionalized Disabled Persons						
SSI FBR%	same as non-institutionalized disabled	same as non-institutionalized disabled	n/a	same as non-institutionalized disabled	same as non-institutionalized disabled		
4	Children Age 19-20						
% FPL	83%	90%	no	new SIPP conversion	SIPP		
5	Childless Adults						
FPL %	n/a	n/a	n/a	n/a	n/a	n/a	

The numbers in this summary chart will be updated automatically in the case of modifications in the CMS approved MAGI Conversion Plan.

n/a: Not applicable.

TN: 13-025

Approval Date: 07/22/14

Effective Date: 01/01/14

**North Dakota Department of Human Services
Methodology for Identification of Applicable FMAP Rates
TN ND 13-025
Resource Proxy Explanation**

The effective date of this resource proxy for the North Dakota Medicaid Expansion is January 1, 2014.

North Dakota Medicaid has calculated the Resource Proxy as follows:

The State pulled records of the total number of applications received in State Fiscal Years 2011, 2012, and 2013 from people who applied for coverage under the category of **Disabled Persons, Institutionalized**.

The State pulled records of the total number of applications that were denied Medicaid eligibility for excess assets in State Fiscal Years 2011, 2012 and 2013 from individuals who applied for coverage under the category of **Disabled Persons, Institutionalized**.

The North Dakota Resource Proxy was calculated by determining the percentage of the total applications received that represented individuals who were denied Medicaid eligibility as a result of excess assets. The resulting Resource Proxy percentage for **Disabled Persons, Institutionalized** is expressed as the fraction 249/7809, which is 3.188628505%.