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State/Territory Name: North Dakota

State Plan Amendment (SPA) #: ND-14-0011

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

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
1961 Stout Street, Room 08-148
Denver, CO 80294



Region VIII

September 28, 2015

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

RE: SPA Document # ND-14-0011

Dear Ms. Anderson:

We have reviewed the proposed State Plan Amendment (SPA) submitted under transmittal number (TN) 14-011. This amendment provides a rate increase for services rendered by Medicaid providers.


Please be informed that this State Plan Amendment was approved September 28, 2015 with an effective date of July 1, 2014. We are enclosing the CMS-179 and the amended plan page(s).

If you have any questions concerning this amendment, please contact Kirstin Michel at (303) 844-7036.

Sincerely,

/s/

Richard C. Allen
Associate Regional Administrator
Division for Medicaid & Children's Health Operations

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL		1. TRANSMITTAL NUMBER: 14-011	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, 2014	
5. TYPE OF PLAN MATERIAL (Check One): <input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" 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 Part 447.204		7. FEDERAL BUDGET IMPACT: a. FFY 2014 \$646,268 b. FFY 2015 \$2,585,074	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-B pages 1, 1a, 2, 3, 3a, 3b, 3b-1, 3d and 3f.		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Attachment 4.19-B pages 1, 1a, 2, 3, 3a, 3b, 3b-1, 3d and 3f.	
10. SUBJECT OF AMENDMENT: Amends the North Dakota State Plan to provide for an inflationary increase for services rendered by Medicaid providers.			
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: September 16, 2014			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED: 9/16/2014		18. DATE APPROVED: 9/28/2015	
PLAN APPROVED - ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: 7/1/2014		20. SIGNATURE OF REGIONAL OFFICIAL: RS	
21. TYPED NAME: Richard C. Allen		22. TITLE: Associate Regional Administrator	
23. REMARKS:			

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES – OTHER TYPES OF CARE

The following is a description of the policies that apply to rates and fees established for services other than inpatient hospital care, nursing facility care, and intermediate care facilities.

Out-of-state providers are paid the same rates and fees applicable to providers in North Dakota.

All rates are published on the agency's website at:

<http://www.nd.gov/dhs/services/medicalserv/medicaid/provider-fee-schedules.html>. Except as otherwise noted in the plan, state developed fee schedule rates are the same for both governmental and private providers.

- 1) Outpatient services are paid using a fixed percentage of charges established by the state agency, except for laboratory procedures paid according to item 3 below, dietitian services paid at the lower of the actual charge or maximum allowable charge established by the state agency, and ambulatory behavioral healthcare (partial hospitalization) paid a per diem rate established by the state agency and revenue code 278 paid at the cost of the supply plus twenty percent for billed charges over \$3,000. Providers shall follow Medicare coding guidelines for appropriate billing of revenue code 278. The fixed percentage of charges for in-state hospitals designated as Critical Access Hospitals will be established using the hospital's most recent audited Medicare cost report. Cost settlement to reasonable cost for outpatient services at in-state hospitals designated as Critical Access Hospitals for Title XIX services will be based on the Medicare cost report and will occur after the hospital's Medicare cost report has been audited and finalized by the Medicare fiscal intermediary. The fixed percentage of charges for all other in-state hospitals will be established using the hospital's most recent Medicare cost report available as of June 1 of each year. The fixed percentage of charges for out-of-state hospitals shall be the average of the fixed percentage paid to all hospitals categorized as Group 1 Hospitals. A Group 1 Hospital is a hospital with average discharges in excess of 100 per year for the years ended June 30, 1992, 1993, and 1994. Out-of-state hospitals shall be paid for revenue code 278 at the cost of the supply plus twenty percent for billed charges over \$3,000. Providers shall follow Medicare coding guidelines for appropriate billing of revenue code 278. North Dakota Medicaid providers will receive a four percent inflationary increase in reimbursement effective for dates of service July 1, 2014 as authorized and appropriated by the 2013 Legislative Assembly.
- 2) Clinic services payment is based on the cost of delivery of the services on a prospective basis as determined by the single state agency from cost data submitted periodically by the clinic. In those years when no cost information is requested by the single state agency, each clinic may receive an inflation increase as approved through the State Plan process. Allowable costs will be determined in accordance with the Medicare Provider Reimbursement Manual. Payments to participating providers will be made in accordance with 42 CFR 447.206. North Dakota Medicaid providers will receive a four percent inflationary increase in reimbursement effective for dates of service July 1, 2014, as authorized and appropriated by the 2013 Legislative Assembly.
 - a) Payment to dental clinics, including mobile dental clinics, is based on the cost of delivery of the service as determined by the single state agency from cost data submitted annually by the clinic. Allowable costs will be determined in accordance with the Medicare Provider Reimbursement Manual. Individual provider rates will be effective October 1, 2014. North Dakota Medicaid providers will receive a four percent inflationary increase in reimbursement effective for days of service October 1, 2014 as authorized and appropriated by the 2013 Legislative Assembly. Providers will be notified of the rates, via letter and/or email correspondence. Except as otherwise noted in the Plan, State developed fee schedule rates are the same for both governmental and private providers.
- 3) For laboratory services, Medicaid will pay the lower of billed charges, Medicare maximum allowable charge, or fee schedule established by the state agency. Medicaid payment for lab services may not exceed the Medicare rate on a per test basis.

TN No.: 14-011
Supersedes
TN No.: 14-006

Approval Date: 9/28/15 Effective Date: 7-1-2014

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES – OTHER TYPES OF CARE - (continued)

- 4) For x-ray services, Medicaid will pay the lower of billed charges or fee schedule established by the state agency. North Dakota Medicaid providers will receive a four percent inflationary increase in reimbursement effective for dates of service July 1, 2014, as authorized and appropriated by the 2013 Legislative Assembly.
- 5) For prosthetic devices, medical equipment, supplies and appliances, Medicaid will pay the lower of billed charges or fee schedule established by the state agency. North Dakota Medicaid providers will receive a four percent inflationary increase in reimbursement effective for dates of service July 1, 2014, as authorized and appropriated by the 2013 Legislative Assembly.
- 6) For physicians, podiatrists, chiropractors, and psychologists, the lower of billed charges or fee schedule established by the state agency. North Dakota Medicaid providers will receive a four percent inflationary increase in reimbursement effective for dates of service July 1, 2014, for services reimbursed from the Professional Services Fee Schedule, as authorized and appropriated by the 2013 Legislative Assembly.
 - a. For services rendered by licensed or registered pharmacists, the lower of billed charges or the fee schedule established by the state agency.
- 7) For optometrists, dentists and dentures, Medicaid will pay the lower of billed charges or Medicaid fee established by the state agency. North Dakota Medicaid providers will receive a four percent inflationary increase in reimbursement effective for dates of service July 1, 2014, as authorized and appropriated by the 2013 Legislative Assembly.
- 8) For private duty nursing, Medicaid will pay the lower of billed charges or the established fee as determined by the state agency. North Dakota Medicaid providers will receive a four percent inflationary increase in reimbursement effective for dates of service July 1, 2014, as authorized and appropriated by the 2013 Legislative Assembly.
- 9) For physical, occupational and speech therapy, payment will be the lower of billed charges or the fee established by the state agency. North Dakota Medicaid providers will receive a four percent inflationary increase in reimbursement effective for dates of service July 1, 2014, as authorized and appropriated by the 2013 Legislative Assembly.
- 10) For services rendered by enrolled providers via telemedicine; payment for the telemedicine connectivity code will be the lower of billed charges or the fee established by the state agency. North Dakota Medicaid providers will receive a four percent inflationary increase in reimbursement effective for dates of service July 1, 2014, as authorized and appropriated by the 2013 Legislative Assembly.
- 11) For eyeglasses, Medicaid will pay the lower of billed charges or the fee schedule established by the state agency.

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES - OTHER TYPES OF CARE

- 12) Transportation by common carrier will be reimbursed at the going rate or fare established for the general public. Ambulance services will be paid at the lower of actual billed charges or the maximum allowable charge established by the state. Private vehicles when utilized by a third party to provide transportation to a Medicaid recipient will be paid at the lower of billed charges or the mileage rate up to an upper limit established by the state agency, not to exceed the mileage established by the state legislature. The payment for all meals necessary for recipients and attendants cannot exceed the amount allowed for state employees while they are traveling in the state of North Dakota. The payment for necessary lodging for recipients and attendants traveling within North Dakota cannot exceed the amount allowed for state employees. The payment for necessary lodging for recipients and attendants traveling outside of North Dakota will be limited by a maximum established by the single state agency. North Dakota Medicaid providers will receive a four percent inflationary increase in reimbursement effective for dates of service July 1, 2014, as authorized and appropriated by the 2013 Legislative Assembly.
- 13) For family planning services, Medicaid will pay the lower of billed charges or according to the fee schedule established by the state agency. Family planning services will receive a four percent inflationary increase in reimbursement effective for dates of service July 1, 2014, as authorized and appropriated by the 2013 Legislative Assembly.
- 14) Home Health Agency services include the following services: nursing care, home health aide services, physical therapy, occupational therapy, speech pathology or audiology services, and supplies. Reimbursement will be on a per visit basis and will be at the lowest of the billed charge or maximum allowable charge established by the State. North Dakota Medicaid providers will receive a four percent inflationary increase in reimbursement effective for dates of service July 1, 2014, as authorized and appropriated by the 2013 Legislative Assembly.
- 15) For hospice services Medicaid will pay the amounts established by HCFA at Sections 4306, 4307, and 4308 Part 4 of the State Medicaid Manual.
- 16) Nurse-Midwife services will be paid at the 85% level of the payment made for covered pre-natal, delivery and postpartum services provided by physicians, i.e., the lower of actual charge or 85% of the allowable amount established by the state agency for payment of physician services. North Dakota Medicaid providers will receive a four percent inflationary increase in reimbursement effective for dates of service July 1, 2014, as authorized and appropriated by the 2013 Legislative Assembly.

TN No. 14-011

Supersedes

TN No. 14-006Approval Date 9/28/15Effective Date 07-01-2014

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES - OTHER TYPES OF CARE:

17. Vacated
18. Vacated
19. Nurse Practitioners are paid at the lower of billed charges or 75% of the professional services fee schedule. North Dakota Medicaid providers will receive a four percent inflationary increase in reimbursement effective for dates of service July 1, 2014, for services reimbursed from the Professional Services Fee Schedule, as authorized and appropriated by the 2013 Legislative Assembly.
20. Other Practitioner Services - Are paid at the lower of billed charges or 75% of the professional services fee schedule. North Dakota Medicaid providers will receive a four percent inflationary increase in reimbursement effective for dates of service July 1, 2014, for services reimbursed from the Professional Services Fee Schedule, as authorized and appropriated by the 2013 Legislative Assembly.
21. Vacated
22. Vacated
23. Personal Care Services
 - a. Authorized personal care services provided to an individual who receives personal care services from a provider on less than a 24-hour-a-day-seven-day-a-week basis shall be paid based on a maximum 15-minute unit rate established by the department. Rates will be established for individual and agency providers.

North Dakota Medicaid providers will receive a three percent inflationary increase in reimbursement effective for dates of service July 1, 2014, as authorized and appropriated by the 2013 Legislative Assembly. Providers who travel at least twenty-one miles round-trip to provide personal care services to individuals in rural areas, will receive a rate adjustment effective for dates of service January 1, 2014.
 - b. Authorized personal care service provided to an individual by a provider who provides personal care services on a 24-hour-a-day-seven-day-a-week basis shall be paid using a prospective per diem rate for each day personal care services are provided.
 - 1) The maximum per diem rate for an individual or agency provider shall be established using the provider's allowable hourly rate established under paragraph a. multiplied times the number of hours per month authorized in the individual's care plan times twelve and divided by 365. The provider may bill only for days in which at least 15 minutes of personal care service are provided to the individual. The maximum per diem rate for an individual or agency may not exceed the maximum per diem rate for a residential provider as established in subparagraph 2.

2) The per diem rate for a residential provider is established based on the residential provider's reported allowable costs for direct and indirect personal care services divided by the number of days personal care services were provided during the report period. The per diem rate is applicable to all eligible individuals authorized to receive personal care services from the residential provider and does not vary based on the amount of services authorized for each individual. The per diem rate is payable only for days in which at least 15 minutes of personal care services is provided to the individual in the residential facility. For an individual who does not receive at least 15 minutes of personal care services per day, the rate payable to a residential provider for personal care services shall not exceed the maximum allowable hourly rate for an agency as established in paragraph a.

The per diem rate shall be established annually for each residential provider based on a cost report that identifies actual costs incurred for the provision of personal care services during the provider's fiscal year. The established per diem rate may not exceed the maximum per diem rate. North Dakota Medicaid providers will receive a three percent inflationary increase in reimbursement effective for dates of service July 1, 2014, as authorized and appropriated by the 2013 Legislative Assembly.

Allowable costs included in the personal care per diem rate are:

1. Salaries, fringe benefits and training expenses for direct supervisors and staff who provide assistance with:
 - a. Activities of daily living including eating, bathing, dressing, mobility, toileting, transferring and maintaining continence; and
 - b. Instrumental activities of daily living that include personal hygiene, light housework, laundry, meal preparation, transportation, grocery shopping, using the telephone, medication management and money management.
2. Administration and overhead expenses that include salaries and fringe benefits of an administrator, assistant administrator or top management personnel, liability insurance, central and home office costs excluding property costs, telephone, personnel recruitment costs, computer software costs, business office expenses, and working capital interest.

24. Vacated

25. Organ Transplants - Payments for physician services are based on Attachment 4.19-B No. 6 as described in this attachment. Payment for hospital services are based on Attachment 4.19-A.

26. For diagnostic, screening, preventive and rehabilitative services, Medicaid will pay the lower of actual billed charges or the maximum allowable fee established by the state agency.

See page 3b-1 for description of rehabilitative services reimbursement methodology effective January 1, 2010.

TN No. 14-011

Supersedes

TN No. 13-012

Approval Date: 9/28/15

Effective Date: 07-01-2014

North Dakota Medicaid providers will receive a four percent inflationary increase in reimbursement effective for dates of service July 1, 2014, as authorized and appropriated by the 2013 Legislative Assembly.

27. Emergency hospital services provided by hospitals not otherwise participating in the Medicaid program are paid at the fixed percentage of charges for out-of-state hospitals as established in paragraph 1.
28. For Targeted Case Management Services, payment will be based on the lower of the providers actual billed charge or the fee schedule established in 15 minute units of service by the state. North Dakota Medicaid providers will receive a four percent inflationary increase in reimbursement effective for dates of service July 1, 2014, as authorized and appropriated by the 2013 Legislative Assembly.

26. For diagnostic, screening, preventive and rehabilitative services... (continued)

a. Effective for services provided on or after January 1, 2010:

The current fee schedule(s) for rehabilitative services are published on the North Dakota Department of Human Services web site. The fee schedules were set on July 1, 2014, and are effective for services provided on and after that date.

For rehabilitative services, each qualified Medicaid service practitioner will be reimbursed a rate from the Medicaid fee schedule for defined units of service. For the private providers, the fee schedule was historically established by a comparison of codes to other, relative codes, and to what other regional (private, Medicare and Medicaid) payers allowed. For the governmental providers, the fee schedule is established based on the cost of delivering the services, which is used to set a fee for each service provided.

For private providers enrolling the following provider-types, reimbursement is the lower of billed charges or a maximum of 75% of the professional fee schedule for the following provider types: Licensed Social Worker (LSW), Licensed Independent Clinical Social Worker (LICSW), Licensed Certified Social Worker (LCSW), Licensed Addiction Counselor (LAC), Licensed Associate Professional Counselor (LAPC), Licensed Professional Counselor (LPC), and Licensed Professional Clinical Counselor (LPCC).

For Crisis Stabilization, Transitional Living, and Day Treatment reimbursement will be at a daily rate; not to exceed cost.

The State Medicaid agency will have a contract with each entity receiving payment under provisions of services (Crisis Stabilization, Transitional Living, and Day Treatment) as defined in Attachment 3.1-A and Attachment 3.1-B that will require that the entity furnish to the State Medicaid agency on an annual basis the following:

- a. Data, by practitioner, on the utilization by Medicaid beneficiaries of the services included in the unit rate and;
- b. Cost information by practitioner type and by type of service actually delivered within the service unit.

Future rate updates will be based on information obtained from the providers.

31. For Targeted Case Management Services for Individuals needing Long Term Care services, payment will be based on the lower of the provider's actual billed charge or the fee schedule established in monthly increments. Except as otherwise noted in the plan, the state developed fee schedule rates are the same for both governmental and private providers of case management for individuals needing Long Term Care. The fee schedule and any annual/periodic adjustments to the fee schedule are published on <http://nd.gov/dhs/services/medicalserv/medicaid/provider-fee-schedules.html>.

The agency's fee schedule rate was set as of July 1, 2014 and is effective for services provided on or after that date. All rates are published on the agency's website.

33. For Targeted Case Management Services for Pregnant women and Infants, payment will be based on the lower of the provider's actual billed charge or the fee schedule established in 15 minute increments. Except as otherwise noted in the plan, the state developed fee schedule rates are the same for both governmental and private providers of case management for pregnant women and infants. The fee schedule and any annual/periodic adjustments to the fee schedule are published on <http://www.nd.gov/dhs/services/medicalserv/medicaid/provider-fee-schedules.html> . The agency's fee schedule rate was set as of July 1, 2014 and is effective for services provided on or after that date. All rates are published on the agency's website.