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State/Territory Name: North Dakota

State Plan Amendment (SPA) #: ND-14-012

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
1600 Broadway, Suite 700
Denver, CO 80202-4967



Region VIII

October 8, 2014

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

RE: North Dakota #14-012

Dear Ms. Schwab:

We have reviewed the proposed State Plan Amendment (SPA) submitted under transmittal number (TN) 14-012. This amendment provides a 4% inflationary rate increase for Rural Health Clinics that enrolled as Medicaid providers before 12/31/12 to receive a one-time adjustment to their rate based on the 2013 Medicare cost report.

Please be informed that this State Plan Amendment was approved today 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 Ann Clemens at (303) 844-2125.

Sincerely,

/s/

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

CC: Maggie Anderson, ND
Kathy Rodin, ND

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL		1. TRANSMITTAL NUMBER: 14-012	2. STATE North Dakota
		3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
FOR: HEALTH CARE FINANCING ADMINISTRATION		4. PROPOSED EFFECTIVE DATE July 1, 2014	
TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES			
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		7. FEDERAL BUDGET IMPACT: a. FFY <u>2014</u> \$ <u>\$ 8,074</u> b. FFY <u>2015</u> \$ <u>\$ 32,295</u>	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-B, Pages 4a and 4b		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Attachment 4.19-B, Pages 4a and 4b	
10. SUBJECT OF AMENDMENT: Amends the State Plan for Rural Health Clinics			
11. GOVERNOR'S REVIEW (Check One): <input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL <input checked="" type="checkbox"/> OTHER, AS SPECIFIED: <u>Maggie D. Anderson, Executive Director,</u> <u>Department of Human Services</u>			
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, Department of Human Services			
15. DATE SUBMITTED: September 15, 2014			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED: September 15, 2014		18. DATE APPROVED: October 8, 2014	
PLAN APPROVED - ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: July 1, 2015		20. SIGNATURE OF REGIONAL OFFICIAL: <i>RS</i>	
21. TYPED NAME: Richard C. Allen		22. TITLE: ARA, DMCHO	
23. REMARKS:			

The APM rate is a fixed rate and is not subject to adjustment or reconciliation except as provided for below. The APM rate shall equal or exceed the PPS rate that was established for the center.

The RHC's APM rate shall be established according to a two-step process, as follows:

1. Establishment of APM Rate:

(a) The APM rate shall be equal to an amount (calculated on a per visit basis) that is:

- i. For provider-based RHCs, an APM rate shall be established based on 100% of the RHC's billed charges, exclusive of lab charges, for the RHC's fiscal year 2000 plus the fee schedule amount for laboratory services divided by the number of visits.
- ii. For freestanding RHCs the rate will be \$61.85.

(b) The calculation of the APM rate and any subsequent adjustments to that rate shall be on the basis of the reasonable costs of the RHC as provided for under 42 C.F.R. part 413 without the application of provider screens and caps or limitations on costs or cost categories.

(c) The APM rate shall be increased by four percent effective July 1, 2014.

2. One-Time Adjustment:

Each RHC that is an enrolled provider on June 30, 2012 shall have one opportunity to rebase its APM rate. The APM rate shall be adjusted to the Medicare cost per visit, excluding provider screens and caps, from its fiscal year 2012 Medicare cost report. The cost per visit shall exclude laboratory costs and shall be increased by one percentage point for each three month period from the cost report end date to July 1, 2013.

3. Upon the RHC's application, the APM rate shall be adjusted to reflect any increase or decrease in the scope of services furnished by the RHC.

4. Rate Setting for New RHCs

For the purpose of this Section, a "new RHC" is a RHC that meets all applicable licensing or enrollment requirements on or after July 1, 2012.

- (a) Establishment of Interim Rate: The state shall pay a new RHC under the methodology effective for services provided on or after the effective date the provider is an enrolled provider. The RHC shall choose between two options for an interim APM rate that shall be effective until a new APM rate is established:
- i. The average APM rate of the 10 centers located in closest proximity to the RHC; or
 - ii. A rate based on an actual or pro forma cost report.
- (b) Establishment of APM Rate: The RHC's APM rate will be established based on the Medicare cost per visit, excluding provider screens and cap, from its fiscal year Medicare cost report that has 12 months of RHC costs. The APM rate shall exclude laboratory costs and shall be effective on July 1 following the Medicare cost report used to establish the rate. Notwithstanding the above, a RHC that became an enrolled Medicaid provider on or after July 1, 2012, but before December 1, 2012 shall have their APM rate established using its fiscal year 2013 Medicare cost report.
- (c) Reconciliation: Payments made to a RHC under the interim rate described in subsection B.5(a) shall be subject to cost settlement, and the RHC shall be entitled to receive the reasonable cost of providing covered services during the period the interim APM rate is effective.
5. If services furnished by a RHC to a Medicaid eligible recipient are paid by a managed care entity at a rate less than the established rate, a supplemental payment equal to the difference between the rate paid by the managed care entity and the established rate times the number of visits shall be made quarterly.