

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
601 East 12<sup>th</sup> Street, Suite 235  
Nebraska City, Missouri 64106



**Division of Medicaid and Children's Health**

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October 19, 2010

Vivianne Chaumont, Director  
Department of Health & Human Services  
Division of Medicaid and Long Term Care  
301 Centennial Mall S., 5th Floor  
PO Box 95026  
Lincoln, Nebraska 68509

Dear Ms. Chaumont:

On April 6, 2010, the Center for Medicare & Medicaid Services (CMS) received Nebraska's State plan amendment (SPA) transmittal #10-008, which proposes to make site-of-service adjustment to payments for physician services.

We are pleased to inform you that SPA 10-008 was approved on October 15, 2010 with an effective date of July 1, 2010 as requested by the State. Enclosed is a copy of the CMS-179 form as well as the approved pages for incorporation into the Nebraska State plan. If you have any questions regarding this amendment, please contact Narinder Singh at (816) 426-5925 or [Narinder.Singh@cms.hhs.gov](mailto:Narinder.Singh@cms.hhs.gov).

Sincerely,

James G. Scott  
Associate Regional Administrator  
for Medicaid and Children's Health Operations

Enclosure

cc: Margaret Booth  
Pat Taft

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b>  <b>FOR: HEALTH CARE FINANCING ADMINISTRATION</b>	1. TRANSMITTAL NUMBER: 10-08	2. STATE Nebraska
	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, 2010	

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:	7. FEDERAL BUDGET IMPACT: a. FFY 2010      \$( 255,000) b. FFY 2011      \$(1,020,000)
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:  Attachment 4.19-B, Item 5, pp 1, 2	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable):  Attachment 4.19-B, Item 5, pp 1, 2

10. SUBJECT OF AMENDMENT:  
Physician Services Site-of-Service Payment Adjustment

11. GOVERNOR'S REVIEW (Check One):

GOVERNOR'S OFFICE REPORTED NO COMMENT       OTHER, AS SPECIFIED:  
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED      Governor has waived review  
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL:	16. RETURN TO:
13. TYPED NAME: Vivianne M. Chaumont	Patricia (Pat) Taft Division of Medicaid & Long-Term Care Nebraska Department of Health & Human Services 301 Centennial Mall South Lincoln, NE 68509
14. TITLE: Director, Division of Medicaid and Long-Term Care	
15. DATE SUBMITTED: April 5, 2010	

**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED: <i>April 6, 2010</i>	18. DATE APPROVED: <i>October 15, 2010</i>
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PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL: <i>July 1, 2010</i>	20. SIGNATURE OF REGIONAL OFFICIAL: <i>[Signature]</i>
21. TYPED NAME: <i>James G. Scott</i>	22. TITLE: <i>Associate Regional Administrator for Medicaid and Children's Health Operations</i>

23. REMARKS:

[Large shaded area for handwritten remarks]

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State Nebraska

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES

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PHYSICIANS' SERVICES

For dates of service on or after August 1, 1989, NMAP pays for covered physicians' services at the lower of:

1. The provider's submitted charge; or
2. The allowable amount for that procedure code in the Nebraska Medicaid Practitioner Fee Schedule in effect for that date of service. The allowable amount is indicated in the fee schedule as:
  - a. The unit value multiplied by the conversion factor (last updated on July 1, 2010);
  - b. The invoice cost (indicated as "IC" in the fee schedule); or
  - c. The reasonable charge for the procedure as determined by the Medicaid Division (indicated as "BR" - by report or "RNE" - rate not established - in the fee schedule).
3. Exception: The Director of the Division of Medicaid and Long-Term Care or designee may enter into an agreement for a negotiated rate with an out-of-state provider which will be based on a percentage of billed charges, not to exceed 100%, only when the Medical Director of the Division has determined that:
  - a. The client requires specialized services that are not available in Nebraska; and
  - b. No other source of the specialized service can be found.

The following is a listing of specialized physician services that have been previously rendered by out-of-state providers:

- a. lung transplants; and
- b. pediatric heart transplants.

Note: The above listing is not all-inclusive of the specialized physician services that will be reimbursed via negotiated rates in the future, as it is based on previous experience."

The Nebraska Medicaid Practitioner Fee Schedule was last updated on July 1, 2010 and is effective for services rendered on or after that date. The fee schedule is subject to annual/periodic adjustment. All rates, including current and prior rates, are published and maintained on the agency's website. Specifically, the fee schedule and any annual/periodic adjustments to the fee schedule are published at [http://www.dhhs.ne.gov/med/practitioner\\_fee\\_schedule.htm](http://www.dhhs.ne.gov/med/practitioner_fee_schedule.htm).

Physicians and non-physician care providers are subject to a site-of-service payment adjustment. A site-of-service differential that reduces the fee schedule amount for specific CPT/HCPCS codes will be applied when the service is provided in the facility setting. Based on the Medicare differential, NMAP will reimburse specific CPT/HCPCS codes with adjusted rates based on the site-of-service.

The Nebraska Medicaid Practitioner Fee Schedule is effective July 1 through June 30 of each year.

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TN #. NE 10-08

Supersedes

TN #. MS-00-06

Approval Date

OCT 15 2010

Effective Date

JUL 01 2010

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State Nebraska

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES

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Revisions of the Fee Schedule: The Department reserves the right to adjust the fee schedule to:

1. Comply with changes in state or federal requirements;
2. Comply with changes in nationally-recognized coding systems, such as HCPCS and CPT;
3. Establish an initial allowable amount for a new procedure based on information that was not available when the fee schedule was established for the current year; and
4. Adjust the allowable amount when the Medicaid Division determines that the current allowable amount is:
  - a. Not appropriate for the service provided; or
  - b. Based on errors in data or calculation.

The Department may issue revisions of the Nebraska Medicaid Practitioner Fee Schedule during the year that it is effective. Providers will be notified of the revisions and their effective dates.

NMAP pays for injections at the wholesale cost of the drug plus an administration fee determined by the Department. Only the administration fee is paid when a physician uses vaccine obtained at no cost from the Nebraska Health and Human Services System.

SMOKING CESSATION

Smoking cessation services rendered via common procedural terminology (CPT) codes 99406 and 99407 are reimbursed on a fee schedule.

Payment for Telehealth Services: Payment for telehealth services is set at the Medicaid rate for the comparable in-person service.

Payment for Telehealth Transmission Costs: Payment for telehealth transmission costs is set at the lower of: (1) the provider's submitted charge; or (2) the maximum allowable amount.

The Department reimburses transmission costs for line charges when directly related to a covered telehealth service. The transmission must be in compliance with the quality standards for real time, two way interactive audiovisual transmission as set forth in state regulations, as amended.

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TN #. NE 10-08  
Supersedes  
TN #. NE 08-14

Approval Date OCT 15 2010

Effective Date JUL 01 2010