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State/Territory Name: NE

State Plan Amendment (SPA) #: 14-0017

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
601 East 12th Street, Suite 355
Kansas City, Missouri 64106



Division of Medicaid and Children's Health Operations

December 17, 2014

Courtney Miller, Deputy Director
Department of Health & Human Services
301 Centennial Mall South, 3rd Floor
PO Box 95026
Lincoln, Nebraska 68509-5026

Dear Ms. Miller:

On September 30, 2014, the Centers for Medicare & Medicaid Services (CMS) received Nebraska's State Plan Amendment (SPA) transmittal #14-0017. This SPA updated Nebraska's Program of All-Inclusive Care for the Elderly (PACE).

SPA #14-0017 was approved December 16, 2014, with an effective date of July 1, 2014, as requested by the state. Enclosed is a copy of the CMS-179 summary form, as well as the approved pages for incorporation into the Nebraska State Plan.

If you have any questions regarding this amendment, please contact Karen Hatcher or Benton Williams at (816) 426-5925.

Sincerely,

//s//

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

Enclosure

cc: Nancy Keller

| | | | |
|---|--|---|----------------------|
| TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL | | 1. TRANSMITTAL NUMBER: 14-017 | 2. STATE Nebraska |
| 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 (<i>Check One</i>): | | | |
| <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 (<i>Separate Transmittal for each amendment</i>) | | | |
| 6. FEDERAL STATUTE/REGULATION CITATION: | | 7. FEDERAL BUDGET IMPACT: | |
| | | a. FFY 2014 \$42,616.69 | |
| | | b. FFY 2015 \$229,035.82 | |
| 8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: | | 9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (<i>If Applicable</i>): | |
| Supplement 4 to Attachment 3.1-A, pages 5-11 5-6 * | | Supplement 4 to Attachment 3.1-A, pages 5-11 | |
| 10. SUBJECT OF AMENDMENT: Program of All Inclusive Care for the Elderly (PACE) Upper payment limits (UPLs) are being revised | | | |
| 11. GOVERNOR'S REVIEW (<i>Check One</i>): | | | |
| <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 | | Governor has waived review | |
| <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL | | | |
| 12. SIGNATURE OF STATE AGENCY OFFICIAL: | | 16. RETURN TO: | |
| 13. TYPED NAME: Courtney Miller | | Nancy Keller 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: September 30, 2014 | | | |
| FOR REGIONAL OFFICE USE ONLY | | | |
| 17. DATE RECEIVED: September 30, 2014 | | 18. DATE APPROVED: December 16, 2014 | |
| PLAN APPROVED – ONE COPY ATTACHED | | | |
| 19. EFFECTIVE DATE OF APPROVED MATERIAL: July 1, 2014 | | 20. SIGNATURE OF REGIONAL OFFICIAL: //s// | |
| 21. TYPED NAME: James G. Scott | | 22. TITLE: Associate Regional Administrator for Medicaid and Children's Health Operations | |
| 23. REMARKS: * Pen and ink changes per state request dated 12.11.14. | | | |

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State/Territory: Nebraska

(B). The following dollar amount: \$_____

Note: If this amount changes, this item will be revised.

(C). The following formula is used to determine the needs allowance:

(1) For waiver clients receiving Assisted Living Services: The State protects the SSI standard.

(2) For clients receiving waiver services in other eligible living arrangements: The State protects the medically needy income standard.

If this amount is different than the amount used for the individual's maintenance allowance under 42 CFR 435.726 or 42 CFR 435.735, explain why you believe that this amount is reasonable to meet the individual's maintenance needs in the community:

II. Rates and Payments

A. The State assures that the capitated rates will be equal to or less than the cost to the agency of providing those same fee-for-service State plan approved services on a fee-for-service basis, to an equivalent non-enrolled population group based upon the following methodology. Please attach a description of the negotiated rate setting methodology and how the State will ensure that rates are less than the cost in fee-for-service.

- 1. Rates are set at a percent of fee-for-service costs
- 2. Experience-based (contractors/State's cost experience or encounter date)(please describe)
- 3. Adjusted Community Rate (please describe)
- 4. Other (please describe) Rates are set at a percent of Upper Payment Limits.

The State contracts with an actuarial company to develop PACE Upper Payment Limits (UPLs). The UPLs are developed based on historical Nebraska Medicaid fee-for-service (FFS) costs for individuals aged 55 and over who were either nursing home residents or eligible for HCBS waiver services based on meeting nursing facility level of care criteria. Projection factors are applied to the UPLs to reflect utilization changes, historical and prospective Medicaid program changes, and provider rate changes. The UPLs are then summarized into rate cells by eligibility category and defined geographic area. The State ensures that rates paid to PACE provider organizations are less than the cost in FFS by negotiating a rate for each that are less than the UPL.

TN No. NE 14-017

Supersedes

Approval Date December 16, 2014 Effective Date July 1, 2014

TN No-NE 12-04

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State/Territory: Nebraska

- B. The State Medicaid Agency assures that the rates were set in a reasonable and predictable manner. Please list the name, organizational affiliation of any actuary used, and attestation/description for the capitation rates.

The State contracted with a certified actuary, to develop its UPLs. The UPLs are an estimate of what costs would have been to Nebraska Medicaid for PACE participants if they had not enrolled in PACE. Within each eligibility category (dually Medicaid and Medicare eligible, Medicaid only, dually Medicaid and Medicare (Part B only) eligible and Qualified Medicare Beneficiary (QMB)), the actuary developed separate UPLs for nursing home residents and HCBS waiver participants who meet nursing facility level of care criteria (aka PACE eligibles) by geographic area

Data Reliance and Important Caveats

In developing the UPLs, the actuary relied on data and other information provided by the State. Since the source of the data was the State's Medicaid Management Information System (MMIS), the State takes responsibility for the accuracy and validity of the base data. The following data and information was used:

- Medicaid claims and eligibility data for individuals ages 55 and older, including a description of each data field and its potential use in classifying individuals into eligibility groupings of service use and Medicare eligibility;
- Summary of Medicaid fee and program changes in SFY 2012 and later; and
- Quarterly CMS-64 Medicaid Administrative Cost reports for FFY 2013

- C. The State will submit all capitated rates to the CMS Regional Office for prior approval.

III. Enrollment and Disenrollment

The State assures that there is a process in place to provide for dissemination of enrollment and disenrollment data between the State and the State Administering Agency. The State assures that it has developed and will implement procedures for the enrollment and disenrollment of participants in the State's management information system, including procedures for any adjustment to account for the difference between the estimated number of participants on which the prospective monthly payment was based and the actual number of participants in that month.

TN No. NE 14-017

Supersedes

Approval Date December 16, 2014 Effective Date July 1, 2014

TN No NE 12-04