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State/Territory Name: NH

State Plan Amendment (SPA) #: 14-010

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH AND HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-26-12
Baltimore, MD 21244-1850



Financial Management Group

FEB 25 2015

Nicholas A. Toumpas, Commissioner
Department of Health and Human Services
State of New Hampshire
129 Pleasant Street
Concord, NH 03301

RE: New Hampshire SPA 14-010

Dear Mr. Toumpas:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid state plan submitted under transmittal number (TN) 14-010. Effective September 30, 2014, this amendment revises the disproportionate share hospital (DSH) adjustment methodology and pool amounts for eligible hospitals.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30), 1903(a) and 1923 of the Social Security Act and the implementing Federal regulations at 42 CFR 447. We are pleased to inform you that Medicaid State plan amendment 14-010 is approved effective September 30, 2014. We are enclosing the CMS-179 and the amended plan pages.

If you have any questions, please call Novena James-Hailey at (617) 565-1291.

Sincerely,

Timothy Hill
Director

A handwritten signature in black ink, appearing to be "Timothy Hill", is written over the typed name and title.

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TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL	1. TRANSMITTAL NUMBER: 14-010	2. STATE NH
	3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
FOR: HEALTH CARE FINANCING ADMINISTRATION	4. PROPOSED EFFECTIVE DATE September 30, 2014	
TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES		

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: SSA 1923 and 42 CFR Part 447	7. FEDERAL BUDGET IMPACT: FFY 2015: (\$ 7.9 million) FFY 2018: \$59.1 million FFY 2016: \$49.7 million FFY 2019: \$62.0 million FFY 2017: \$48.8 million
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19A, page 5a Attachment 4.19A, page 5b Attachment 4.19A, page 5b.1	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Attachment 4.19A, page 5a, TN 14-009 (pending) Attachment 4.19A, page 5b, TN 13-013 None - new page

10. SUBJECT OF AMENDMENT:
Disproportionate Share Hospital (DSH) Payment Adjustment - Inpatient

11. GOVERNOR'S REVIEW (Check One):

GOVERNOR'S OFFICE REPORTED NO COMMENT OTHER, AS SPECIFIED: comments, if any, will follow

COMMENTS OF GOVERNOR'S OFFICE ENCLOSED

NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL:	16. RETURN TO:
13. TYPED NAME: Nicholas A. Toumpas	Dawn Landry Office of Medicaid Business and Policy/Brown Building Department of Health and Human Services 129 Pleasant Street Concord, NH 03301
14. TITLE: Commissioner	
15. DATE SUBMITTED: September 19, 2014	

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:	18. DATE APPROVED: FEB 25 2015
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PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL: SEP 30 2014	20. SIGNATURE OF REGIONAL OFFICIAL:
21. TYPED NAME: Kristina Fan	22. TITLE: Deputy Director, Full

23. REMARKS:
Pen and Ink Changes in Box #7 per State's request. - 2/23/2015

Disproportionate Share – Payment Adjustment

The second type of payment adjustment is to in-state, non-public general hospitals and special rehabilitation hospitals which qualify as follows:

(a) The hospital must have at least 2 obstetricians with staff privileges at the hospital who have agreed to provide obstetric services to individuals entitled to such services under the state Medicaid plan. The term "obstetrician" includes any physician with staff privileges at the hospital to perform non-emergency obstetric procedures. The above obstetric-related criteria do not apply to hospitals in which the inpatients are predominantly individuals under 18 years of age, or to hospitals which do not offer non-emergency obstetric services as of December 21, 1987.

(b) All disproportionate share hospitals must, in addition to the qualifying conditions noted above, have a Medicaid utilization rate equaling or exceeding 1%. The Medicaid utilization rate shall be computed using the formulas specified in Section 1923(b)(2) of the Social Security Act.

The DSH payment adjustment methodology for this second type of DSH payment adjustment is detailed in 1, 2, and 3 below. Non-public hospitals participating in Medicaid will receive a DSH payment adjustment in an amount as specified in paragraphs 1, 2, or 3 below, subject to any applicable limits in paragraph 4 below; and, provided that they meet the qualifying criteria stated in items (a) and (b) above.

1. **"Deemed DSH" Hospitals:** Any hospital or specialty hospital in NH that meets the criteria under 42 U.S.C. 1396r-4(b) for "hospitals deemed disproportionate share" will receive a payment adjustment, regardless of whether the hospital does or does not participate in the NH Medicaid Care Management Program, in an amount as follows:

(A) if the deemed DSH is a specialty hospital for rehabilitation or a hospital that does not participate in the NH Medicaid Care Management program, the DSH payment amount will be a pro rata share of \$1,000,000, where each such deemed hospital's share is equal to its relative share of the total uncompensated care costs incurred by all deemed DSH hospitals which are rehabilitation hospitals or hospitals not participating in the NH Medicaid Care Management program;

(B) if the deemed DSH hospital is not a specialty hospital for rehabilitation, but is a critical access hospital that participates in the NH Medicaid Care Management program, the DSH payment amount shall be in accordance with paragraph #2 below; and

(C) if the deemed DSH hospital is not a specialty hospital for rehabilitation, but is a hospital without critical access designation that participates in the NH Medicaid Care Management program, the DSH payment amount shall be in accordance with paragraph #3 below.

TN No: 14-010
Supersedes
TN No: 14-009(pending)

Approval Date **FEB 25 2015**

Effective Date: 09/30/14

Disproportionate Share – Payment Adjustment
(continued)

2. **Critical Access Hospitals:** Each Critical Access Hospital (CAH) that is not a specialty hospital for rehabilitation and that participates in the provider network of the NH Medicaid Care Management program shall receive a DSH payment equal to 75% of the hospital's uncompensated care costs, except as further adjusted where applicable under the provisions of paragraph 4 below. "Uncompensated care costs" are calculated in accordance with the federal requirements of 42 U.S.C. 1396r-4(g) and any federal regulations promulgated by the federal oversight agency, the Centers for Medicare and Medicaid Services (CMS), further defining or interpreting such federal statutory requirements. This payment amount is reconciled in a subsequent year to account for variances identified between projected uncompensated care costs and actual uncompensated care costs as determined by the independent certified audit performed pursuant to 42 CFR, Part 455, Subpart D.

3. **Other DSH Qualifying, Non-Public Hospitals:** Each DSH qualifying hospital that is not a critical access hospital or a specialty hospital for rehabilitation, but which does participate in the provider network of the NH Medicaid Care Management program shall receive a DSH payment adjustment in an amount proportional to, but not greater than, each such hospital's total allowable uncompensated care costs. For each hospital that meets the eligibility criteria under this paragraph 3, the funding and payment amounts shall be as follows, except as further adjusted pursuant to paragraph 4 below:

(A) Funding for State Fiscal and State Plan Year 2015 shall be \$24,200,000; each qualifying hospital under paragraph 3 shall receive a pro rata share of this funding in proportion to its total allowable uncompensated care costs.

(B) For State Fiscal and State Plan Years 2016 and 2017, each such hospital shall be paid 50% of its uncompensated care costs.

(C) For State Fiscal and State Plan Year 2018 and 2019, and thereafter, each such hospital shall be paid 55% of its uncompensated care costs.

4. Notwithstanding the provisions of paragraphs 1, 2, or 3 above:

(A) if in any Fiscal Year 2016, 2017, 2018 or 2019, and thereafter, qualifying hospitals' total aggregate uncompensated care costs, as reported to the NH Department of Health and Human Services, is less than \$350 million, the State shall pay such hospitals not less than \$175 million in DSH payments, shared among such hospitals in proportion to the amount of uncompensated care costs incurred by each such hospital relative to the total; provided that New Hampshire hospitals with a critical access designation shall continue to receive reimbursements of no less than 75% of each such hospital's uncompensated care costs; and

(B) total statewide DSH payments to hospitals qualifying under this second type of DSH payment adjustment shall not exceed \$224 million in Fiscal Years 2016 and 2017, and shall not exceed \$241.9 million in Fiscal Years 2018 and 2019.

TN No: 14-010
Supersedes
TN No: 13-013

Approval Date: FEB 25 2015

Effective Date: 09/30/14

Disproportionate Share – Payment Adjustment
(continued)

Each hospital's total uncompensated care costs are defined consistent with 42 U.S.C. §1396r-4(g) and any federal regulations promulgated or issued by the federal oversight agency, the Centers for Medicare and Medicaid Services (CMS), further defining or interpreting such federal statutory requirements. Any DSH amount payable under this second type of DSH payment is paid annually to qualifying hospitals by May 31 of each State Fiscal Year and reconciled in a subsequent year to account for variances identified between projected uncompensated care costs and actual uncompensated care costs (UCCs) as determined by the independent certified audit performed pursuant to 42 CFR, Part 455, Subpart D. The Department will use funds resulting from such UCC reconciliation and recovery of DSH overpayments to pay appropriate DSH payment amounts to hospitals where such UCC reconciliation results show DSH underpayments.

The Department will test the calculated disproportionate share payments allocated to each hospital in each year to ensure that payments do not exceed federal limits established under the Omnibus Budget Reconciliation Act of 1993 or Section 1923 of the Social Security Act using protocols established in the DSH Audit procedures developed by CMS. The source data used to compute this limit is the data from the Base Year that was used to set payments in the DSH State Plan Year (SPY). The Department will ensure that the disproportionate share payments will not exceed these limits.

TN No: 14-010
Supersedes
TN No: New Page

Approval Date: FEB 25 2013

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