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State/Territory Name: New Hampshire

State Plan Amendment (SPA) #: 19-0016

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
7500 Security Boulevard, Mail Stop S3-14-28
Baltimore, Maryland 21244-1850



Financial Management Group

June 29, 2020

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

RE: New Hampshire 19-0016

Dear Commissioner Shibinette:

We have reviewed the proposed amendment to Attachment 4.19-D of your Medicaid State plan submitted under transmittal number (TN) 19-0016. Effective July 27, 2019, this amendment proposes a new reimbursement methodology for the ProShare1 supplemental payment to three (3) specified non-state government owned and operated nursing facilities in New Hampshire. Sunset provisions under approved state plan amendment TN 18-0006 ended the previous ProShare1 supplemental payment method and the related funding arrangement on June 30, 2019.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30) and 1903(a) of the Social Security Act and the implementing Federal regulations at 42 CFR 447 Subpart C.

This is to inform you that Medicaid State plan amendment TN 19-0016 is approved effective July 27, 2019. The CMS-179 and the amended plan page(s) are attached.

If you have any additional questions or need further assistance, please contact Novena James-Hailey at (617) 565-1291 or Novena.JamesHailey@cms.hhs.gov.

Sincerely,

A solid black rectangular box redacting the signature of Karen Shields.

Karen Shields
Acting Director

Enclosures

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES	1. TRANSMITTAL NUMBER <u>19-0016</u>	2. STATE NH
	3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR CENTERS FOR MEDICARE & MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES	4. PROPOSED EFFECTIVE DATE July 1, 2019 July 27, 2019	

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 1902(a)(13) and 42 CFR Part 447	7. FEDERAL BUDGET IMPACT Remainder of FFY 2019: \$0 FFY 2020: (\$23,180,020) (\$9,094,100)
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT Attachment 4.19-D, page 31(e) (c.1) Attachment 4.19-D, page 31 (c.2) Attachment 4.19-D, page 29 (f)	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (if applicable) Attachment 4.19-D, page 31 (c) TN 18-0008 N/A, new page Attachment 4.19-D, page 29 (f) TN 18-0004

10. SUBJECT OF AMENDMENT

Proportionate Share Incentive Adjustment (ProShare) I

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 	16. RETURN TO Dawn Landry Division of Medicaid Services/Brown Building Department of Health and Human Services 129 Pleasant Street Concord, NH 03301
13. TYPED NAME Jeffrey A. Meyers	
14. TITLE Commissioner	
15. DATE SUBMITTED 9/27/2019	

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED	18. DATE APPROVED 6/29/20
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PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL 7/27/19	20. SIGNATURE OF REGIONAL OFFICIAL
21. TYPED NAME Karen Shields	22. TITLE Acting Director, FMG

23. REMARKS

Pen and ink by NH June 24, 2020 to boxes 4, 7, 8, and 9 as part of RAI Response.

MEDICAL ASSISTANCE	SUBJECT NURSING FACILITY REIMBURSEMENT	DATE SR
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Policy
(Continued)
9999.8

- (f) The capital cost component of the prospective per diem rate is based on the actual facility cost, taken from the most recently desk reviewed and/or field audited cost reports, subject to an aggregate 85th percentile ceiling.
- (g) Administrative, other support, and plant maintenance cost components are reimbursed at the statewide median value, based on data included in the most recently desk reviewed and/or field audited cost reports.

8. Calculation of Facility-Specific Per Diem Rate

- (a) The per diem cost components are summed to obtain the total facility rate per day for each resident in the nursing facility as of a date specified by the Department of Health and Human Services.
- (b) The rate determined in (a) above shall be reduced by a budget adjustment factor (BAF) equal to 26.82%.
- (c) After the close of the state fiscal year, all monies remaining in the nursing facility account, after the budget adjustment factor is reconciled, are paid in the month of July to nursing facilities based on their pro rata share of total Medicaid fee for service nursing facility per diem expenditures. The balance remaining in the nursing facility account each state fiscal year is computed by subtracting the total expended Medicaid fee-for-service nursing facility per diem payments from the budget total in the account (i.e., class line 504).

For state fiscal year ending June 30, 2020, the total computable budget amount allocated to class line 504 is \$201,197,921.

9. Rate Limitation

- (a) In no case may payment exceed the provider's customary charges to the general public for such services or the Medicare upper limit of reimbursement.
- (b) Payment shall be made at the lesser rate when an established rate is a condition to a certificate of need approval and that rate differs from the Medicaid rate established by the Department. When a rate limitation is applied as a condition of the certificate of need, a provider may, if aggrieved, appeal such limitation.

TN No: 19-0016
Supersedes
TN No: 18-0019

Approval Date: 6/29/20

Effective Date: 07/27/2019

MEDICAL ASSISTANCE	SUBJECT NURSING FACILITY REIMBURSEMENT	DATE SR
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Policy
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f. Proportionate Share Incentive Adjustment 1

Only nursing facilities owned or operated by Belknap County, Hillsborough County or Sullivan County shall receive payment under this section according to the following conditions.

1. The NH Department of Health and Human Services recognizes that non-State operated governmental (county) nursing facilities provide care to many severely medically involved patients requiring an extraordinarily intensive and costly level of care and have a very high Medicaid proportion of their patient census.
2. The Department will ensure continued access to this level of care through proportionate share incentive adjustment payments to each of the above noted non-State operated governmental nursing facilities. ProShare1 payments are the difference between the Calculated Medicare Equivalent and the total Medicaid payments made to the county nursing facilities.
3. The following steps are used to calculate ProShare1 distributions:
 - a) The Medicare equivalent RUG based rate is calculated using the Total Rate from the Federal Register by RUG score. This Medicare Total Rate for each RUG score is multiplied by the corresponding count of Medicaid residents with the same RUG score.
 - b) The sum total of the Medicare Total rates per Medicaid census count is then divided by the total Medicaid population count from the census to arrive at an average Medicare per diem rate.
 - c) The average Medicare per diem rate is calculated biannually and the average of these two rates is used as the Average Medicare Per Diem Rate.
 - d) The State takes the sum of the total actual Medicaid paid claims for nine (9) months and estimated paid claims for three (3) months and multiplies this by the Average Medicare Per Diem Rate to arrive at a Calculated Medicare Equivalent.
 - e) The total of the Medicaid Payments made to the County Nursing Facility are calculated for the State Fiscal Year.

TN No: 19-0016
Supersedes
TN No: 18-0006

Approval Date: 6/29/20

Effective Date: 07/27/2019

MEDICAL ASSISTANCE	SUBJECT NURSING FACILITY REIMBURSEMENT	DATE SR
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Policy
(Continued)
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f. Proportionate Share Incentive Adjustment 1 (continued)

- f) The total of the Medicaid Payments are the sum of:
- a. The estimated Medicaid NF Per Diem Expenditures for the State Fiscal Year calculated as indicated in Section 9999.8, page 29(f), item 8(b).
 - b. Any class line 504 payments as indicated in Section 9999.8, page 29(f), item 8(c);
 - c. The total of the Supplemental Medicaid Nursing Home payments as indicated in Section 9999.8, page 31(d.8), item f(1).
- g) The difference of the Calculated Medicare equivalent and the total Medicaid payments becomes the total ProShare1 expenditure to the County Nursing Facility
- h) The State then makes the payment to the county nursing facility in the last quarter of the state fiscal year on or before June 30.
- i) For State Fiscal Year 2020, the ProShare1 payments made in the last quarter of the state fiscal year are interim payments and may be further adjusted when the state submits a final state fiscal year 2020 UPL to incorporate supported COVID-19 impact to the UPL calculation and if CMS approves such Covid-19 adjustments. For the payment-based UPL, the state would provide support on how Medicare equivalent payment rates are impacted by COVID-19. The UPL may also need to be updated with latest available Medicaid utilization and payment data. Each nursing facility's adjusted calculated Medicare equivalent will be compared to the facility's total actual Medicaid payments in the final state fiscal year 2020 UPL, and the difference will be the final ProShare1 payment for that facility. If the final ProShare1 payment is greater than the interim ProShare1 payment, the difference will be paid out to the facility as additional state fiscal year 2020 ProShare1 payment.
- j) If the final ProShare1 payment is less than the interim ProShare1 payment, the difference is recouped, and the federal share is returned to CMS. The state will finalize state fiscal year 2020 ProShare1 payments no later than December 31, 2020.

TN No: 19-0016
Supersedes
TN No: new page

Approval Date: 6/29/20

Effective Date: 07/27/2019