DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
San Francisco Regional Office
90 Seventh Street, Suite 5-300 (5W)
San Francisco, CA 94103-6706

DIVISION OF MEDICAID & CHILDREN'S HEALTH OPERATIONS

August 20, 2015

Richard Whitley, Director
Department of Health and Human Services
4126 Technology Way, Suite 100
Carson City, NV 89706

Dear Mr. Whitley:

Enclosed is an approved copy of Nevada State Plan Amendment (SPA) 15-0004. This SPA was submitted to my office on June 30, 2015 requesting to update rate methodologies for laboratory and pathology services using the 2014 Medicare Clinical Diagnostic Laboratory Fee Schedule for Nevada and for 3 provider types (Physicians, Advanced Practice Registered Nurses, and Physician Assistants) using January 1, 2014 unit values and the 2014 Medicare Physician Fee Schedule Conversion Factor.

The approval is effective July 1, 2015. Attached are copies of the following pages to be incorporated into your State Plan:

- Attachment 4.19-B, Pages 1a, 1c, 1d

If you have any questions, please contact Peter Banks by phone at (415) 744-3782 or by email at Peter.Banks@cms.hhs.gov.

Sincerely,

/s/

Henrietta Sam-Louie
Acting Associate Regional Administrator
Division of Medicaid & Children's Health Operations

Enclosure

cc: Laurie Squartsoff, Administrator, DHCFP

DEPARTMENT OF HEALTH AND HUMAN SERVICES
HEALTH CARE FINANCING ADMINISTRATION

FORM APPROVED
OMB NO. 0938-0193

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL

FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER: 15-004

2. STATE: NEVADA

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, 2015

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:
State Plan Under Title XIX of the Social Security Act: 42 CFR 447

7. FEDERAL BUDGET IMPACT:
a. FFY 2016 ~~$41,286,006~~ $13,417,584 PB
b. FFY 2017 ~~$51,426,392~~ $18,024,902 PB

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:
Attachment 4.19-B, Pages 1a, 1c – 1c-3, 1d

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT *(If Applicable)*:
Attachment 4.19-B, Pages 1a, 1c ~~–1c-3~~, 1d PB
Deleted Pages 1c1, 1c2, and 1c3

10. SUBJECT OF AMENDMENT:
Update rate methodologies for Provider Types 20, 24 and 77 using the January 1, 2014 unit values and the 2014 Medicare Physician Fee Schedule Conversion Factor. These updated methodologies will provide the most impact to the most frequently used services and bring Nevada more in line with CMS and national Medicaid reimbursement. It is anticipated that this will increase access to care as well.

11. GOVERNOR'S REVIEW *(Check One)*:
☐ GOVERNOR'S OFFICE REPORTED NO COMMENT
■ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL
☒ OTHER, AS SPECIFIED:
The Governor's Office does not wish to review the State Plan Amendment.

12. SIGNATURE OF STATE AGENCY OFFICIAL:
[redacted]

13. TYPED NAME:
Richard Whitley

14. TITLE:
Director, Department of Health and Human Services

15. DATE SUBMITTED:
June 30, 2015

16. RETURN TO:
Tammy Moffitt, Chief of Program Integrity
DHCFP/Medicaid
1100 East William Street, Suite 101
Carson City, NV 89701

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:
6/30/15

18. DATE APPROVED:
AUG 20 2015

PLAN APPROVED ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:
7/1/2015

20. SIGNATURE OF REGIONAL OFFICIAL:
[redacted]

21. TYPED NAME:
Henrietta Sam-Louie

22. TITLE:
Associate Regional Administrator (Acting)

23. REMARKS.

Nevada requested a pen and ink change to Section 7 of CMS 179. The state requested that FFY 2016 $41, 286,006 and FFY 2017 $51,426,392 to FFY 2016 $13,417,584 and FFY 2017 $18,024,902.

Nevada requested an additional pen and ink change to Section 9. The state wanted to make sure that pages 1c1, 1c2, and 1c3 were removed from the State Plan.

3. Laboratory and pathology services deemed to be Nevada Medicaid covered benefits will be paid at:

a. For codes 80000-89999, the lower of billed charges not to exceed 95% of the rate allowed by the 2014 Medicare Clinical Diagnostic Laboratory Fee Schedule for Nevada;
b. Allowed laboratory and pathology codes/services outside of the ranges listed in 3.1 and 3.2 or not listed in the Medicare Clinical Diagnostic Laboratory Fee Schedule for Nevada will be paid in accordance with other sections of this State Plan based on rendering provider type;
c. Newly developed laboratory and pathology codes that fall within the code range 80000-89999 will be priced at lower of billed charges not to exceed 50% of the rate allowed by the Medicare Clinical Diagnostic Laboratory Fee Schedule for Nevada for the year that the code(s) is listed in the fee schedule;
d. For "BR" (by report) and "RNE" (relativity not established) codes that fall within the code range 80000-89999 , the payment will be set at 62% of billed charges; or
e. Contracted or negotiated amount.

5. Payments for services billed by Physicians using Current Procedural Terminology (CPT) codes will be calculated using the January 1, 2014 unit values for the Nevada-specific resource based relative value scale (RBRVS) and the 2014 Medicare Physician Fee Schedule conversion factor. Payment will be the lower of billed charges, or the amounts specified below:

   a. Surgical codes 10000 – 58999 and 60000 - 69999 will be reimbursed at 95% of the Medicare facility rate.
   b. Radiology codes 70000 – 79999 will be reimbursed at 100% of the Medicare facility rate. Effective February 15, 2012, Radiopharmaceutical and Contrast codes will be reimbursed at the 2012 Medicare Mean Unit Cost plus 5%.
   c. Medicine codes 90000 – 99199 will be reimbursed at 85% of the Medicare non-facility rate.
   d. Evaluation and Management codes 99201 – 99499 will be reimbursed at 90% of the Medicare non-facility rate effective July 1, 2015 through June 30, 2016. Effective July 1, 2016 Evaluation and Management codes 99201 – 99499 will be reimbursed at 95% of the Medicaid non facility rate.
   e. Obstetrical service codes 59000 – 59999 will be reimbursed at 95% of the Medicare non-facility rate.
   f. Anesthesia codes 00100 – 01999 will be reimbursed based on the Centers for Medicare and Medicaid Services (CMS) 2009 base units for anesthesia. Payment is determined by adding the base units plus time units and multiplying the result by the CMS 2013 anesthesia conversion factor of $22.57. Anesthesia codes 01967 – 01969 are occurrence based codes that are paid a flat rate. Anesthesia codes 99100 – 99140 are not covered.
   g. Medicine codes 90281-90399, and all other pharmaceuticals that are not identified above, will be reimbursed according to the drug reimbursement algorithm set forth on page 3 of Attachment 4.19-B.

6. Medical care and any other type of remedial care provided by licensed practitioners:

   a. Payment for services billed by a Podiatrist will be calculated using the April 1, 2002 unit values for the Nevada specific resource based relative value scale (RBRVS) and the 2002 Medicare Physicians Fee Schedule conversion factor. Payment will be the lower of billed charges, or the amount specified below:
      1. Surgical codes will be reimbursed at 74% of the Medicare facility rate
      2. Radiology codes will be reimbursed at 88% of the Medicare facility rate
      3. Medicine codes and Evaluation and Management codes will be reimbursed at 66% of the Medicare non-facility rate. Vaccine Products will be reimbursed at 85% of the Medicare non-facility rate.
      4. When codes 90465-90468, 90471-90474, 99381-99385 and 99391-99395 are used for EPSDT services, the reimbursement will be 85% of the Medicare non-facility rate.
   b. Payment for services billed by an Optometrist will be calculated using the April 1, 2002 unit values for the Nevada specific resource based relative value scale (RBRVS) and the 2002 Medicare Physicians Fee Schedule conversion factor. Payment will be the lower of billed charges, or 85% of the Medicare non-facility rate. See also 12.d.,
   c. Payment for services billed by a Chiropractor will be calculated using the April 1, 2002 unit values for the Nevada specific resource based relative value scale (RBRVS) and the 2002 Medicare Physicians Fee Schedule conversion factor. Payment will be the lower of billed charges, or the amount specified below:
      1. Medicine codes and Evaluation and Management codes will be reimbursed at 70% of the Medicare non-facility rate
      2. Radiology codes will be reimbursed at 32% of the Medicare facility rate.
   d. Payment for services billed by an Advanced Practitioner of Nursing/Physician Assistant/Nurse-Midwife will be calculated using the January 1, 2014 unit values for the Nevada specific resource based relative value scale (RBRVS) and the 2014 Medicare Physicians Fee Schedule conversion factor. Payment will be the lower of billed charges, or the amounts specified below:
      1. Surgical codes will be reimbursed at 59% of the Medicare facility rate.
      2. Medicine codes and Evaluation and Management codes will be reimbursed at 63% of the Medicare non-facility rate.
      3. Obstetrical service codes will be reimbursed at 75% of the Medicare non-facility rate.
      4. When codes 90465-90468, 90471-90474, 99381-99385 and 99391-99395 are used for EPSDT services, the reimbursement will be 72% of the Medicare non-facility rate.