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State/Territory Name: Nevada

State Plan Amendment (SPA) #: 15-008

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
San Francisco Regional Office
90 Seventh Street, Suite 5-300 (5W)
San Francisco, CA 94103-6706



DIVISION OF MEDICAID & CHILDREN'S HEALTH OPERATIONS

January 11, 2017

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) 15-008. This SPA revises the reimbursement methodology for emergency transportation services provided by governmental entities. The SPA was submitted to my office on September 30, 2015.

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

- Attachment 4.19-B Pgs. 4, 4.1, 4.2, 4.3, and 4.4


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
Associate Regional Administrator
Division of Medicaid & Children's Health Operations

cc: Marta Jensen: Acting Administrator, DHCFP

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL		1. TRANSMITTAL NUMBER: 15-008	2. STATE: NEVADA
		3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
FOR: HEALTH CARE FINANCING ADMINISTRATION		4. PROPOSED EFFECTIVE DATE: October 1, 2015	
TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES			
5. TYPE OF PLAN MATERIAL (Check One): <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 (Separate Transmittal for each amendment)			
6. FEDERAL STATUTE/REGULATION CITATION: State Plan Under Title XIX of the Social Security Act 42 CFR 440.170 pb		7. FEDERAL BUDGET IMPACT: a. FFY 2016 \$ 1,250,897.97 b. FFY 2017 \$ 1,239,283.79	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-B, Pages 4, 4a, and 4b 4, 4.1, 4.2, 4.3 and 4.4 pb		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Attachment 4.19-B, Page 4	
10. SUBJECT OF AMENDMENT: DHCFP is proposing to revise the reimbursement methodology for emergency transportation services provided by governmental entities.			
11. GOVERNOR'S REVIEW (Check One): <input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL		<input checked="" type="checkbox"/> OTHER, AS SPECIFIED: The Governor's Office does not wish to review the State Plan Amendment.	
12. SIGNATURE OF STATE AGENCY OFFICIAL: 		16. RETURN TO: Tammy Moffitt, Chief of Program Integrity DHCFP/Medicaid 1100 East William Street, Suite 101 Carson City, NV 89701	
13. TYPED NAME: Richard Whitley			
14. TITLE: Director, Department of Health and Human Services			
15. DATE SUBMITTED: September 30, 2015			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED: 9/30/15		18. DATE APPROVED: 01/11/2017	
PLAN APPROVED - ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: 10/1/15		20. SIGNATURE OF REGIONAL OFFICIAL: /s/	
21. TYPED NAME: Henrietta Sam Louie		22. TITLE: Associate Regional Administrator	
23. REMARKS: Pen and Ink Request: Add "42 CFR 440.170" to Box 6. Pen and Ink Request: Change Box 8 to read "Pages 4, 4.1, 4.2, 4.3, and 4.4"			

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Except as otherwise noted in the plan, state developed fee schedule rates are the same for both governmental and private providers. The agency's fee schedule rates were set as of July 1, 2013 and are effective for services provided on or after that date. All rates are published on the agency's website:

<http://dhcfp.nv.gov/Resources/Rates/RatesMain/>

14. RESERVED
15. RESERVED
16. RESERVED
17. RESERVED
18. Prior to the beginning of each rate year, governmental providers of emergency medical transportation, ground ambulance services, must select one of the reimbursement methodologies described below. Governmental providers must select their reimbursement methodology by April 30 for the rate year beginning July 1 and will not be able to change the selected reimbursement methodology until the following rate year.

- I. Reimbursement methodology for emergency medical transportation, ground or air ambulance services, provided by non-governmental entities and governmental entities that do not undergo the Medicaid cost identification, reporting, reconciliation and settlement procedures.

Emergency Medical Transportation: Ground Ambulance or Air Ambulance (fixed wing or rotary aircraft): lower of: a) billed charge, or b) fixed basic rate plus fixed fee per mile. Effective July 1, 2013, the reimbursement rates will be increased 15%.

- II. Reimbursement methodology for emergency medical transportation, ground ambulance services, provided by a government entity which selects cost identification, reporting, reconciliation and settlement.

Governmental entities may select a reimbursement methodology for emergency medical transportation that is based on cost identification, reporting, reconciliation and settlement. This methodology reimburses governmental entities for uncompensated care costs for providing emergency medical transportation services to Nevada Medicaid beneficiaries. Uncompensated care costs are allowable costs in excess of payments made by Nevada Medicaid. This reimbursement will include a base payment per emergency medical transportation claim plus a final supplemental payment adjustment so that total reimbursement does not exceed or fall short of the total cost of providing services to Medicaid beneficiaries.

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A. Definitions:

1. "Emergency Medical Transportation" is synonymous with "Emergency Medical Response." It includes both the act of transporting an individual from any point of origin to the nearest medical facility capable of meeting the emergency medical needs of the patient, as well as the advanced, limited-advanced, and basic life support services provided to an individual by emergency medical transportation providers before or during the act of transportation.
2. "Emergency Medical Response" is a cost objective that includes expenditures for medical services performed at the point of injury or illness, typically outside of a medical facility, to evaluate or treat a health condition. An emergency medical response is classified as "medical" by dispatch if the primary reason for the response is to provide medical services.
3. "Direct costs" means all costs that can be identified specifically with particular final cost objectives in order to meet all medical transportation mandates.
4. "Shared Direct Costs" are direct costs that can be allocated to two or more departmental functions or cost objectives on the basis of shared benefits.
5. "Indirect costs" means costs for a common or joint purpose benefitting more than one cost objective that are allocated to each benefitting objectives using an agency approved indirect rate or an allocation methodology. Indirect costs rate or allocation methodology must comply with 2 CFR, Part 200 and CMS non-institutional reimbursement policies.
6. "Service Period" means the period from July 1st through June 30th of each Nevada state fiscal year.

B. Provider Eligibility for Medicaid Reimbursement Based on Cost Identification.

To be eligible to receive reimbursement based on cost identification for emergency medical transportation, a provider must meet all of the requirements described below:

1. The provider is owned or operated by an eligible government entity to include the state, a city, a county, a consolidated city and county, a fire protection district organized pursuant to Nevada Revised Statutes Chapter 474, or a federally recognized Indian tribe.
2. The provider is enrolled as a Nevada Medicaid provider for the period being claimed.
3. The provider delivers emergency medical transportation services to Nevada Medicaid beneficiaries.

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4. The provider has a Cost Allocation Plan (CAP) approved by the State Medicaid Agency on file with the State.

C. Interim Medicaid Payment

1. “Base Payment” is the interim reimbursement paid for each transport as a result of Medicaid claiming by the provider throughout the year. The base payment in the period October 1, 2015 through September 30, 2017 is determined by the Nevada Medicaid fee-for-service ambulance fee schedule. For periods beginning October 1, 2017, the base payment is the average cost per transport as determined in the most recent available cost report. The average cost per transport is determined by dividing the total allowable costs of providing emergency medical transportation services by the total number of emergency medical transports.

D. Methodology for Reimbursement of Emergency Medical Transportation Services Based on Cost Identification.

1. A provider’s specific allowable cost per-medical transport rate will be calculated based on the provider’s audited financial data reported on the CMS-approved cost report. The per-medical transport cost rate will be the sum of actual allowable direct and indirect costs of providing medical transport services divided by the actual number of medical transportation services provided for the applicable service period.
 - a. Direct costs for providing medical transport services include only the unallocated payroll costs for those emergency response staff who dedicate 100 percent of their time to providing medical transport services; medical equipment and supplies, and other costs directly related to the delivery of covered services, such as first-line supervision, materials and supplies, professional and contracted services, capital outlay, travel and training. These costs must be in compliance with Medicaid non-institutional reimbursement policies and are directly attributable to the provision of the medical transport services.
 - b. Shared direct costs for emergency medical transportation services as defined by Section A.1, must be allocated for personnel, capital outlay and other costs; such as, medical supplies, professional and contracted services, training and travel. The personnel costs will be allocated based on the percentage of total hours logged performing emergency medical transportation activities versus other activities. The capital and other direct costs will be allocated based on the percentage of total call volume.
 - c. Indirect costs are determined based on the provider’s approved cost allocation plan.

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- d. The provider specific per-medical transport cost rate is calculated by dividing the total net medical transport allowable costs (Item 1.a, Item 1.b and Item 1.c) of the specific provider by the total number of medical transports provided by the provider for the applicable service period.
 2. Medicaid's portion of the total allowable cost for providing emergency medical transportation services by each eligible provider is calculated by multiplying the total number of Medicaid FFS transports provided by the provider's specific per-medical transport cost rate (Paragraph D.1.d) for the applicable service period.
- E. Eligible Provider Reporting Requirements:

Eligible provider shall:

1. Report and certify total computable allowable costs annually on a CMS-approved Nevada Medicaid Emergency Transportation Services Cost Report, which is to be submitted annually by December 1 to the State Medicaid Agency. The Cost Report includes a certification of expenditures statement that states the total costs reported are accurately reported and allowable.
 2. Provide documentation to serve as evidence supporting the information on the cost report and the cost determination as specified by the State Medicaid Agency.
 3. Keep, maintain, and have readily retrievable, such records as specified by the State Medicaid Agency.
 4. The provider will comply with the allowable cost requirements provided in 42 CFR, Part 413, 2 CFR, Part 200, and Medicaid non-institutional reimbursement policies.
- F. State Medicaid Agency's Responsibilities:
1. The State will submit to CMS claims based on total computable certified expenditures for emergency transportation services provided that are allowable and in compliance with federal laws and regulations and Medicaid non-institutional reimbursement policies.
 2. As part of its financial oversight responsibilities, the State will review each provider's Cost Report for reasonableness and accuracy and reconcile the Cost Report to the provider claims data obtained from the Medicaid Management Information System (MMIS). The state will complete the cost report review and settlement process of the interim payments for the service

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period within three years of the postmark date of the cost report.

3. If the interim Medicaid payments exceed the actual certified costs of a provider, the State will recoup any overpayments and return the Federal share to the Federal government in accordance with 42 CFR 433.316. If the actual certified costs exceed the interim Medicaid payments, DHCFP will pay the federal share of the difference to the provider in accordance with the final actual certification agreement.

III. Non-emergency transportation:

- A. Non-emergency transportation is authorized through a contracted NET Broker, as specified in Attachment 3.1-D.
- B. Reimbursement Methodology for Non-Emergency Paratransit services provided by the Regional Transportation Commission (RTC) operated by local government entities:
 1. The lower of: A) billed charges; or b) a cost based rate.

The cost based rate is calculated annually using each public provider's annual operating budget and service utilization forecast and an applicable 10% indirect cost rate. Each public provider will submit an annual operating budget and service utilization forecast at least 60 days before the start of the next fiscal year. The budget forecast must reflect a projection for allowable, necessary and proper direct cost in providing services. The cost based rate is calculated as follows:

- a. Direct costs include the costs for fuel, tires and subcontracted costs that are directly related in providing the non-emergency transportation services. These costs must be in compliance with the Medicare reimbursement principle and OMB A-87.
- b. The total direct costs (from Item A) are reduced by any federal grant funds received for the same services to arrive at the net allowable direct costs.
- c. Indirect costs are determined by applying a ten percent indirect cost rate to the net allowable direct costs (from Item B).

Continued on Page 4 (Addendum)