

## **Table of Contents**

**State/Territory Name: Nevada**

**State Plan Amendment (SPA) #: 15-013**

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



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**Financial Management Group**

**MAR 03 2016**

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

RE: Nevada State Plan Amendment 15-013

Dear Mr. Whitley:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 15-013. This amendment, effective January 1, 2016, updates reimbursement rates for inpatient hospital services and procurement relating to transplants. Additionally, this amendment adds psychiatric/substance abuse services for critical access hospitals to the list of services reimbursed at the general acute care hospital rates, for interim payment purposes.

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 Subpart C. This is to inform you that Medicaid State plan amendment 15-013 is approved effective January 1, 2016. We are enclosing the HCFA-179 and the amended plan pages.

If you have any questions, please call Mark Wong at (415) 744-3561 or Blake Holt at (415) 744-3754.

Sincerely,

A black rectangular redaction box covering the signature of Kristin Fan.

Kristin Fan  
Director

Enclosures

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b>  <b>FOR: HEALTH CARE FINANCING ADMINISTRATION</b>	1. TRANSMITTAL NUMBER:  15-013	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  January 1, 2016	

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      \$1,071,753 b. FFY 2017      \$1,086,161
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:  <u>4.19-A, Pages 9a, 15a</u>	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable):  <u>4.19-A, Pages 9a, 15a</u>

10. SUBJECT OF AMENDMENT:


This amendment is to increase reimbursement rates for hospital services and procurement relating to transplants. The methodology is being updated from 2008 date to 2013 data for cornea procurement and 2014 data for all other transplants and procurement. In addition, this amendment is being updated to reflect the addition of Psychiatric/Substance Abuse services for Critical Access Hospitals to the list of services reimbursed at the general acute care hospital rates.

11. GOVERNOR'S REVIEW (Check One):

- GOVERNOR'S OFFICE REPORTED NO COMMENT       OTHER, AS SPECIFIED:  
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED      The Governor's Office does not  
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL      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: December 29, 2015	

**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED:	18. DATE APPROVED: MAR 03 2016
PLAN APPROVED - ONE COPY ATTACHED	
19. EFFECTIVE DATE OF APPROVED MATERIAL: JAN 01 2016	20. SIGNATURE OF REGIONAL OFFICIAL: 
21. TYPED NAME: Kristin Fan	22. TITLE: Director, FMC

23. REMARKS:

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State Nevada

Attachment 4.19-A  
Page 9a

G. Transplants

A. Basic Data Sources for Rate Development

1. 2014 Milliman Research Report – U.S. Organ and Tissue Transplant and Cost Estimate.
2. 2013 The Lewin Group Study – Cost Benefit Analysis of Corneal Transplant

B. Rate Conversion

1. Hospital Services will be reimbursed at 35% of the Hospital Billed Charges for each transplant procedure as listed in the 2014 Milliman Study.
2. Procurement will be reimbursed at 100% of the Procurement charges for each transplant procedure as listed in the 2014 Milliman Study with the exception of Cornea Procurement. Cornea procurement will be reimbursed at 100% of the Procurement charges as listed in the 2013 The Lewin Group Study.

For hospitals with accredited transplant programs, Nevada Medicaid will pay the lower of 1) billed charges; or 2) an all-inclusive fixed fee set forth below for the entire admission period (from admission date to discharge date). Organ procurement is a separate reimbursable charge, over and above the facility inpatient component of the transplant service. Organ procurement is reimbursed the lower 1) billed charges; or 2) the maximum reimbursement set forth below.

The maximum reimbursement rate for organ transplant procedures and procurement are:

<b>Organ</b>	Hospital Services	Procurement
Liver	\$139,685	\$95,000
Kidney	\$41,860	\$84,400
<b>Tissue</b>		
Bone Marrow - Autologous	\$74,305	\$10,700
Bone Marrow - Allogeneic Related	\$167,860	\$55,700
Bone Marrow - Allogeneic Unrelated	\$167,860	\$55,700
Cornea	\$7,000	\$2,500

Commencing July 1, 2016 and annually thereafter, the amounts listed above shall be adjusted for inflation using the Consumer Price Index for Inpatient Services; BLS Series CUUR0000SS5702.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State Nevada

Attachment 4.19-A  
Page 15a

3. The updated CAH Medical/Surgery interim rate will be calculated by dividing the total Title XIX program inpatient costs by the total program inpatient days as reported in the immediate prior years' Medicare/Medicaid cost report as filed.
4. If Title XIX data reported in the immediate prior years' Medicare/Medicaid cost report is not sufficient to calculate the adjusted CAH Medical/Surgery interim rate, the CAH Medical/Surgery interim rate will default to the Medical/Surgery rate paid to general acute care hospitals for the same service. This applies only to Critical Access Hospitals that have an existing CAH Medical/Surgery interim rate for the prior year.
5. Maternity, newborn, Psychiatric/Substance Abuse and administrative days will be reimbursed at the rate paid to general acute care hospitals for the same in-patient services.
6. Critical Access Hospitals that do not have a CAH Medical/Surgery interim rate for the prior year based on the methodology in Paragraph VII.B.3, will be assigned either the prior years' Total Medicare inpatient per diem rate if available or the rate paid to general acute care hospitals for the same Medical/Surgery level of services until such time as the CAH Medical/Surgery interim rate can be updated according to the methodology detailed in Paragraphs VII.B.2 and VII.B.3.

Facilities accredited as Residential Treatment Centers by the Joint Commission on Accreditation of Health Organization (JCAHO) are not considered specialty or general acute hospitals. Residential Treatment Centers are paid in accordance with paragraph VI above.