



## Center for Medicaid and State Operations

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SMDL #02-010

May 29, 2002

Dear State Medicaid Director:

The Centers for Medicare and Medicaid Services (CMS), recognizing the increasing importance and financial significance of Medicaid institutional reimbursement State plan amendments (IR-SPAs), and the need to develop, issue, and apply consistent Medicaid institutional reimbursement policy nationally, announces the creation of the Medicaid National Institutional Reimbursement Team (NIRT).

The NIRT will be responsible only for the continued timely and consistent review of all Medicaid IR-SPAs and for providing the Director, Centers for Medicaid and State Operations (CMSO) with a recommended action on each Medicaid IR-SPA. Specifically, the NIRT is responsible for the review and recommended action on all Medicaid institutional reimbursement methodologies contained in Sections 4.19-A (inpatient hospital services) and 4.19-D (long-term care services) of your Medicaid State plan. Effective, July 1, 2002, the CMSO Director will communicate decisions on all Medicaid IR-SPAs to States.

The NIRT will also be responsible for providing technical assistance to the states on Medicaid institutional reimbursement issues and the development and promulgation of all Medicaid institutional reimbursement regulations and policies. All other Medicaid non-IR-SPAs are unaffected by this change. Non-IR-SPAs should continue to be submitted to your CMS regional office and will continue to be reviewed and decided under the current process.

The operational goals for the NIRT are:

- Assure consistent application of Medicaid institutional reimbursement policy nationally.
- Identify and timely address emerging Medicaid institutional reimbursement issues.
- Identify and promote State Medicaid institutional reimbursement best practices.
- Implement Medicaid IR-SPA review and decision processes that ensure timely and consistent reviews and decisions nationally.

The NIRT is comprised of individuals from both the CMS central office and regional offices. The members include staff who have wide-ranging experience in the review and approval of hospital and long-term care Medicaid IR-SPAs. The team is composed of 7 members and 2 Team Leaders as follows:

Mark Cooley (Baltimore)*	(410) 786-3358	<a href="mailto:mcooley@cms.hhs.gov">mcooley@cms.hhs.gov</a>
Billy Bob Farrell (Dallas)	(214) 767-6449	<a href="mailto:bfarrell@cms.hhs.gov">bfarrell@cms.hhs.gov</a>
Jim Frizzera (Baltimore)**	(410) 786-9535	<a href="mailto:jfrizzera@cms.hhs.gov">jfrizzera@cms.hhs.gov</a>
Kate Heinrich (Baltimore)	(410) 786-3284	<a href="mailto:kheinrich@cms.hhs.gov">kheinrich@cms.hhs.gov</a>

Venesa Johnson (Baltimore)	(410) 786-8281	<a href="mailto:vjohnson3@cms.hhs.gov">vjohnson3@cms.hhs.gov</a>
Robert Parris (Boston)	(617) 565-4487	<a href="mailto:rparris@cms.hhs.gov">rparris@cms.hhs.gov</a>
Robert Reed (Seattle)**	(206) 615-2596	<a href="mailto:rreed1@cms.hhs.gov">rreed1@cms.hhs.gov</a>
Rob Weaver (Baltimore)	(410) 786-5914	<a href="mailto:rweaver@cms.hhs.gov">rweaver@cms.hhs.gov</a>
Tim Weidler(Kansas City)	(816) 426-5925	<a href="mailto:tweidler@cms.hhs.gov">tweidler@cms.hhs.gov</a>

\* Medicaid IR-SPA Coordinator

\*\* Co-Team Leaders

The implementation of the NIRT will replace the current Medicaid IR-SPA review and decision process rather than create an additional layer or process. While the NIRT members will remain in their current central office and regional office organizational components, the NIRT will report directly to the Office of the Center Director (OCD) in CMSO in Baltimore and be under the operational control of that office. The NIRT will be responsible for the review and recommended decisions for all Medicaid IR-SPAs. The regional offices will provide the NIRT with continued support on related or pertinent local issues. All final decisions on Medicaid IR-SPAs will be communicated directly to the States from the OCD in Baltimore. The NIRT will utilize a team review process for all Medicaid IR-SPAs. Therefore, if you need institutional reimbursement technical assistance or information on a specific Medicaid IR-SPA, you may contact any of the NIRT members listed above.

The NIRT will assume the review and recommended decision-making authority for all Medicaid IR-SPAs submitted on or after **July 1, 2002**. Medicaid IR-SPAs submitted prior to July 1 should continue to be submitted through your current CMS regional office and will be reviewed and decided through the current Medicaid IR-SPA process. However, all Medicaid IR-SPAs submitted on or after July 1 should be submitted in accordance with the process described in detail below. The NIRT is currently working with the central office and regional office Medicaid IR-SPA staff on transition issues so that there will be a seamless process for the states when the NIRT assumes its full responsibilities on July 1.

### **Electronic Process**

The NIRT intends to utilize an electronic Medicaid IR-SPA submission process to ensure a timely submission, review, and decision process for your Medicaid IR-SPAs. Effective with all Medicaid IR-SPAs submitted on or after July 1, 2002, States will have the opportunity to submit such SPAs via e-mail as a Microsoft Word document to the NIRT at the following specially designated e-mail address; [NIRT@cms.hhs.gov](mailto:NIRT@cms.hhs.gov).

An e-mail submission must be sent simultaneously to your CMS regional office e-mail address ([ESPA1@cms.hhs.gov](mailto:ESPA1@cms.hhs.gov) through [ESPA10@cms.hhs.gov](mailto:ESPA10@cms.hhs.gov), where the name is ESPA and your corresponding regional office number). Remember, until July 1, please continue to submit all Medicaid IR-SPAs using your current process to your CMS regional office.

The electronic submission of Medicaid IR-SPAs is necessary to enable the NIRT to easily access and process your submissions. In addition, the NIRT intends to maintain a current and complete electronic version of Medicaid State plan sections 4.19-A and 4.19-D. In order to begin this

process we need information about your capability to provide us with a current electronic version of these sections. Therefore, please provide a response to the following question:

Will you be able to provide us a Microsoft Word version of your complete section 4.19-A and section 4.19-D of your approved Medicaid state plan by July 1, 2002?

By **June 7, 2002**, please advise the NIRT via e-mail ([NIRT@cms.hhs.gov](mailto:NIRT@cms.hhs.gov)) if you will be able to provide us these documents in the prescribed format. Also, if you will not be able to do so for some reason, please provide us a detailed explanation of the problematic issue(s) so we can determine how to address that situation. We ask that in your e-mail you also provide us with the name of the appropriate state contact and the phone number so we can discuss the electronic process issues with you directly.

### **Electronic SPA Process**

The 1998 Government Paperwork Elimination Act requires Federal agencies to provide anyone who does business with the Federal government the ability to conduct business electronically. CMS will transmit to you software and procedures for an alternative electronic submission process for Medicaid IR-SPAs and non-IR-SPAs. The electronic process is not intended to change the basic legal requirements for Medicaid SPA submittals, requests for additional information (RAIs) and approvals. It will utilize a technology and methodology that protects the SPA and related materials in transit and will allow a more efficient and expeditious transmission methodology for your SPAs. The technology is designed to permit access to data/information only by individuals who possess credentials or authorizations issued by CMS. In the electronic process, the submission date (i.e., the date controlling the effective date of your SPA) will be your e-mail creation date and the receipt date (ie., the date controlling the 90-day clock) will be the date CMS opens the email.

The NIRT intends to utilize this process for Medicaid IR-SPAs, but the process will also be available for non-IR-SPAs. Within the next few weeks, each state will be contacted directly with more details on this electronic process. Finally, we will be issuing further details and information about the NIRT process in early June. In the meantime, if you have any questions, please feel free to contact any of the NIRT members directly via telephone or e-mail or, send your questions to the NIRT directly via e-mail ([NIRT@cms.hhs.gov](mailto:NIRT@cms.hhs.gov)).

Sincerely,

/s/

Dennis G. Smith

cc:

CMS Regional Administrators

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CMS Associate Regional Administrators  
for Medicaid and State Operations

Lee Partridge  
Director, Health Policy Unit  
American Public Human Services Association

Joy Wilson  
Director, Health Committee  
National Conference of State Legislatures

Matt Salo  
Director of Health Legislation  
National Governors Association

Brent Ewig  
Senior Director, Access Policy  
Association of State and Territorial Health Officials

Trudi Matthews  
Senior Health Policy Analyst  
Council of State Governments

Jim Fogue  
Acting Director, Health and Human Services Task Force  
American Legislative Exchange Council