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State Territory Name: MINNESOTA

State Plan Amendment (SPA) #: 23-0026

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
Center for Medicaid & CHIP Services
233 North Michigan Ave., Suite 600
Chicago, Illinois 60601



Financial Management Group

October 3, 2023

Julie A. Marquardt
Medicaid Director
Health Care Administration
State of Minnesota, Department of Human Services
540 Cedar Street PO Box 64983
St. Paul, MN 55167-0983

RE: TN 23-0026

Dear Director Marquardt:

We have reviewed the proposed State Plan Amendment (SPA) to Attachment 4.19-B, MN-23-0026 which was submitted to the Centers for Medicare & Medicaid Services (CMS) on August 28, 2023. This plan amendment updates rates for Enteral Nutrition.

Based upon the information provided by the State, we have approved the amendment with an effective date of July 1, 2023. We are enclosing the approved CMS-179 and a copy of the new state plan pages.

If you have any additional questions or need further assistance, please contact DRR analyst name at 1-312-886-0360 or Deborah.Benson@cms.hhs.gov.

Sincerely,



Todd McMillion
Director
Division of Reimbursement Review

Enclosures

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER <u>2 3</u> — <u>0 0 2 6</u>	2. STATE <u>MN</u>
3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT <input checked="" type="radio"/> XIX <input type="radio"/> XXI	

TO: CENTER DIRECTOR CENTERS FOR MEDICAID & CHIP SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES	4. PROPOSED EFFECTIVE DATE <u>July 1, 2023</u>
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5. FEDERAL STATUTE/REGULATION CITATION <u>42 CFR § 440 and Title XIX of the Social Security Act</u>	6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars) a. FFY <u>2023</u> \$ <u>229,625</u> b. FFY <u>2024</u> \$ <u>1,346,365</u>
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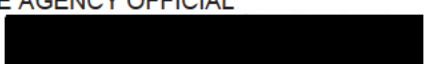
7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT <u>Attachment 4.19-B Page 27, Page 27.1</u>	8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) <u>same</u>
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9. SUBJECT OF AMENDMENT
This amendment makes changes to the external nutrition and supplies rate.

10. 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

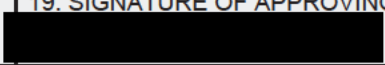
OTHER, AS SPECIFIED:

11. SIGNATURE OF STATE AGENCY OFFICIAL 	15. RETURN TO Alley Zoellner Minnesota Department of Human Services Federal Relations Unit 540 Cedar Street, PO Box 64983 Saint Paul, MN 55164
12. TYPED NAME Patrick Hultman	
13. TITLE Deputy Medicaid Director	
14. DATE SUBMITTED 8/28/2023	

FOR CMS USE ONLY

16. DATE RECEIVED <u>August 28, 2023</u>	17. DATE APPROVED <u>October 3, 2023</u>
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PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL <u>July 1, 2023</u>	19. SIGNATURE OF APPROVING OFFICIAL 
20. TYPED NAME OF APPROVING OFFICIAL <u>Todd McMillion</u>	21. TITLE OF APPROVING OFFICIAL <u>Director, Division of Reimbursement Review</u>

22. REMARKS

Approved: October 3, 2023

Supersedes: 21-24(19-12,17-19,14-03,11-19, 11-02, 10-21, 10-02, 09-25, 04-05)

7.c. Medical supplies, equipment, and appliances suitable for use in any setting in which normal life activities take place.

Notwithstanding the other payment methodologies outlined in this section 7.c., effective for services provided on or after July 1, 2019, medical supplies and equipment, and orthotics that are subject to the upper payment limit in accordance with section 1903 (i) (27) of the Social Security Act, are paid the lower of:

1. The submitted charge; or
2. The Medicare fee schedule amount without regard to any other allowable increases, including the MinnesotaCare tax.

Augmentative and alternative communication devices and pressure support ventilators are excluded from the above provision.

Hearing aids, eyeglasses and oxygen are purchased on a volume basis through competitive bidding in accordance with section 1915(a) (1) (B) of the Act and regulations at 42 C.F.R. § 431.54(d).

Medical supplies and equipment that are not purchased on a volume basis are paid the lower of:

1. submitted charge;
2. Medicare fee schedule amount for medical supplies and equipment; or
3. if Medicare has not established a payment amount for the medical supply or equipment, an amount determined using one of the following methodologies:
 - (a) 50th percentile of the usual and customary charges submitted for the previous ~~two~~ calendar year minus 20 percent, plus current calendar year Medicare inflation factors for the medical supply or equipment;
 - (b) if no information about usual and customary charges exists, payment is based upon the manufacturer's suggested retail price minus 20 percent; or
 - (c) if no information exists about manufacturer's suggested retail price, payment is based on cost (wholesale) plus 20 percent.

Effective for services delivered on or after July 1, 2023, enteral nutrition and supplies must be paid:

1. If sufficient data exists for a product or supply, payment must be based upon the 50th percentile of the usual and customary charges per product code submitted to the commissioner, using only charges submitted per unit.
2. Data are sufficient if:
 - (1) the commissioner has at least 100 paid claim lines by at least ten different providers for a given product or supply; or
 - (2) in the absence of the data in subparagraph (1), the commissioner has at least 20 claim lines from at least five different providers for a product or supply that does not meet the requirements of subparagraph (1). Paid claim lines include the providers charge.
 - (3) in the absence of the data in subparagraph (2), it will revert back to the June 30, 2023 rate.

7.c. Medical supplies, equipment, and appliances suitable for use in any setting in which normal life activities take place (continued).

3. Increases in rates resulting from the 50th percentile payment method must not exceed 150 percent of the previous fiscal year's rate per code and product combination.
4. If sufficient data are not available to calculate the 50th percentile for enteral products or supplies, the payment rate must be the payment rate in effect on June 30, 2023 or the 50th percentile rate that was previously set for those products or supplies.

For dates of service on or after July 1, 2024, enteral nutrition and supplies must be paid according to this paragraph and updated annually each January 1.

1. If sufficient data exists for a product or supply, payment must be based upon the 50th percentile of the usual and customary charges per product code submitted to the commissioner, for the previous calendar year, using only charges submitted per unit.
2. Data are sufficient if:
 - (1) the commissioner has at least 100 paid claim lines by at least ten different providers for a given product or supply;
or
 - (2) in the absence of the data in subparagraph (1), the commissioner has at least 20 claim lines from at least five different providers for a product or supply that does not meet the requirements of subparagraph (1).
3. Increases in rates resulting from the 50th percentile payment method must not exceed 150 percent of the previous fiscal year's rate per code and product combination.
4. If sufficient data are not available to calculate the 50th percentile for enteral products or supplies, the payment must be:
 - (1) The manufacturer's suggested retail price of that product or supply minus 20 percent.
 - (2) If the manufacturer's suggested retail price is not available, payment must be the actual acquisition cost of that product or supply plus 20 percent.