

## **Table of Contents**

**State Territory Name: MINNESOTA**

**State Plan Amendment (SPA) #: 24-0031**

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  
230 South Dearborn  
Chicago, Illinois 60604



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**Financial Management Group**

September 10, 2024

John Connolly  
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 24-0031

Dear Director Connolly:

The Centers for Medicare & Medicaid Services (CMS) has reviewed the proposed Minnesota state plan amendment (SPA) to Attachment 4.19-B 24-0031, which was submitted to CMS on August 6, 2024. This plan amendment delays implementation of Enteral rates from 2024 to 2025.

We reviewed your SPA submission for compliance with statutory requirements including in sections 1902(a)(2), 1902(a)(13), 1902(a)(30), and 1903 as it relates to the identification of an adequate source for the non-federal share of expenditures under the plan, as required by 1902(a)(2), of the Social Security Act and the applicable implementing Federal regulations.

Based upon the information provided by the state, we have approved the amendment with an effective date of July 1, 2024. 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 Debi Benson at 312-886-0360 or via email at [Deborah.Benson@cms.hhs.gov](mailto: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 4</u> — <u>0 0 3 1</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  
July 1, 2024

5. FEDERAL STATUTE/REGULATION CITATION  
1915(k) of the Social Security Act 42 CFR §§441.500 – 441.590

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)

a. FFY <u>2024</u>	\$ <u>0</u>
b. FFY <u>2025</u>	\$ <u>0</u>

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT  
Attachment 4.19-B Page 27, 27.1

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)  
same

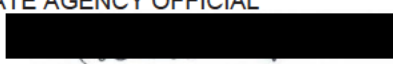
9. SUBJECT OF AMENDMENT

Delays transition to new rate methodology from July 2024 to July 2025 for enteral products.

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  


12. TYPED NAME  
Patrick Hultman

13. TITLE  
Deputy Medicaid Director

14. DATE SUBMITTED  
August 6, 2024

15. RETURN TO  
Patrick Hultman  
Minnesota Department of Human Services  
Federal Relations Unit  
540 Cedar Street, PO Box 64983  
Saint Paul, MN 55164

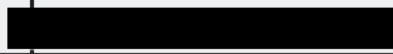
**FOR CMS USE ONLY**

16. DATE RECEIVED  
August 6, 2024

17. DATE APPROVED  
September 10, 2024

**PLAN APPROVED - ONE COPY ATTACHED**

18. EFFECTIVE DATE OF APPROVED MATERIAL

19. SIGNATURE OF APPROVING OFFICIAL  


20. TYPED NAME OF APPROVING OFFICIAL  
Todd McMillion

21. TITLE OF APPROVING OFFICIAL  
Director, Division of Reimbursement Review

22. REMARKS

Approved: September 10, 2024

Supersedes: 23-26 (21-24, 19-12,17-19,14-03,11-19, 11-02, 10-21, 10-02, 09-25,

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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 50<sup>th</sup> percentile rate that was previously set for those products or supplies.

For dates of service on or after July 1, 2024~~5~~, 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.