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State/Territory Name: North Dakota

State Plan Amendment (SPA) #: 20-0016

This file contains the following documents in the order listed:

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 5, 2020

Ms. Caprice Knapp, Medicaid Director
North Dakota Department of Health and Human Services
600 E. Boulevard Avenue, Dept. 325
Bismarck, ND 58505-0250

RE: TN 20-0016

Dear Ms. Knapp:

We have reviewed the proposed North Dakota State Plan Amendment (SPA) to Attachment 4.19-B 20-0016, which was submitted to the Centers for Medicare & Medicaid Services (CMS) on July 23, 2020. This plan amendment provides a yearly inflationary increase for rural health clinic reimbursement rates as of July 1, 2020.

Based upon the information provided by the State, we have approved the amendment with an effective date of July 1, 2020. We are enclosing the approved CMS-179 and a copy of the new state plan page.

If you have any additional questions or need further assistance, please contact LaJoshica (Josh) Smith at 214-767-6453 or Lajoshica.Smith@cms.hhs.gov .

Sincerely,

[redacted]

Todd McMillion
Director
Division of Reimbursement Review

Cc: LeeAnn Thiel

DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS FOR MEDICARE AND MEDICAID SERVICES

FORM APPROVED
OMB NO. 0938-0193

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE AND MEDICAID SERVICES	1. TRANSMITTAL NUMBER: **20-0016**	2. STATE **North Dakota**
	3. PROGRAM IDENTIFICATION: **TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)**	
TO: REGIONAL ADMINISTRATOR CENTERS FOR MEDICARE AND MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES	4. PROPOSED EFFECTIVE DATE **July 1, 2020**	

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: **42 CFR 447.204**	7. FEDERAL BUDGET IMPACT: a. FFY **2020** **$9,384** b. FFY **2021** **$29,475**
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: **Attachment 4.19-B page 4a**	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT *(If Applicable)*: **Attachment 4.19-B page 4a**

10. SUBJECT OF AMENDMENT:
Amends the State Plan to implement an inflationary increase for Rural Health Clinic Services.

11. 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: Caprice Knapp, Director Medical Services Division

12. SIGNATURE OF STATE AGENCY OFFICIAL: [redacted]	16. RETURN TO: **Caprice Knapp, Director** **Medical Services Division** **ND Department of Human Services** **600 East Boulevard Avenue Dept 325** **Bismarck ND 58505-0250**
13. TYPED NAME: **Caprice Knapp**	
14. TITLE: **Director, Medical Services Division**	
15. DATE SUBMITTED: **July 23, 2020**	

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED: 07/23/2020	18. DATE APPROVED: 10/5/2020
PLAN APPROVED – ONE COPY ATTACHED	
19. EFFECTIVE DATE OF APPROVED MATERIAL: 07/01/2020	20. SIGNATURE OF REGIONAL OFFICIAL: [redacted]
21. TYPED NAME: Todd McMillion	22. TITLE: Director, Division of Reimbursement Review

23. REMARKS:

FORM CMS-179 (07-92)

The APM rate is a fixed rate and is not subject to adjustment or reconciliation except as provided for below. The APM rate shall equal or exceed the PPS rate that was established for the center.

The RHC's APM rate shall be established according to a two-step process, as follows:

1. Establishment of APM Rate:

   (a) The APM rate shall be equal to an amount (calculated on a per visit basis) that is:

      i. For provider-based RHCs, an APM rate shall be established based on 100% of the RHC's billed charges, exclusive of lab charges, for the RHC's fiscal year 2000 plus the fee schedule amount for laboratory services divided by the number of visits.

      ii. For freestanding RHCs the rate will be $61.85.

   (b) The calculation of the APM rate and any subsequent adjustments to that rate shall be on the basis of the reasonable costs of the RHC as provided for under 42 C.F.R. part 413 without the application of provider screens and caps or limitations on costs or cost categories.

   (c) The APM rate shall be increased by 2.5 percent effective July 1, 2020.

2. One-Time Adjustment:

   Each RHC that is an enrolled provider on June 30, 2012 shall have one opportunity to rebase its APM rate. The APM rate shall be adjusted to the Medicare cost per visit, excluding provider screens and caps, from its fiscal year 2012 Medicare cost report. The cost per visit shall exclude laboratory costs and shall be increased by one percentage point for each three month period from the cost report end date to July 1, 2013.

3. Upon the RHC's application, the APM rate shall be adjusted to reflect any increase or decrease in the scope of services furnished by the RHC.