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State/Territory Name: New Hampshire

State Plan Amendment (SPA) #: NH-22-0031

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
7500 Security Boulevard, Mail Stop S3-14-28
Baltimore, Maryland 21244-1850



Financial Management Group

October 25, 2022

Lori A. Shibinette, Commissioner
Department of Health and Human Services
State of New Hampshire
129 Pleasant Street
Concord, NH 03301

RE: New Hampshire State Plan Amendment Transmittal Number 22-0031

Dear Commissioner Shibinette:

We have reviewed the proposed amendment to Attachment 4.19-D of your Medicaid State plan submitted under transmittal number (TN) 22-0031. Effective July 1, 2022, this amendment adds cost reconciliation language to the state plan for state government-owned nursing facility services.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30), and 1903(a) 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 TN 22-0031 is approved effective July 1, 2022. The CMS-179 and the amended plan page(s) are attached.

If you have any additional questions or need further assistance, please contact Mark Wong at (415) 744-3561 or mark.wong@cms.hhs.gov.

Sincerely,



Rory Howe
Acting Director

Enclosures

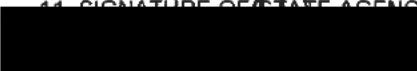
TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES	1. TRANSMITTAL NUMBER <u>2 2 - 0 0 3 1</u>	2. STATE <u>NH</u>
	3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT <input checked="" type="radio"/> XIX <input type="radio"/> XXI	
TO: CENTER DIRECTOR CENTERS FOR MEDICAID & CHIP SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES	4. PROPOSED EFFECTIVE DATE <u>July 1, 2022</u>	
5. FEDERAL STATUTE/REGULATION CITATION Title 19 of the Social Security Act and 42 CFR 447 Payment for Services	6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars) a. FFY <u>2022</u> \$ <u>163,229</u> b. FFY <u>2023</u> \$ <u>489,688</u> <u>652,916</u>	
7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT Attachment 4.19-D, Page 31(a) Attachment 4.19-D, Page 31(a.1)	8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) Attachment 4.19-D, Page 31(a), 21-0004	

9. SUBJECT OF AMENDMENT
State Government Owned Atypical Nursing Facility Reimbursement Methodology Change

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 Janine Corbett Division of Medicaid Services - Brown Building 129 Pleasant Street Concord, NH 03301
12. TYPED NAME Ann H. Landry	
13. TITLE Associate Commissioner	
14. DATE SUBMITTED <u>9-28-22</u>	

FOR CMS USE ONLY

16. DATE RECEIVED <u>September 28, 2022</u>	17. DATE APPROVED <u>October 25, 2022</u>
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PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL <u>July 1, 2022</u>	19. SIGNATURE OF APPROVING OFFICIAL 
20. TYPED NAME OF APPROVING OFFICIAL <u>Rory Howe</u>	21. TITLE OF APPROVING OFFICIAL <u>Director, Financial Management Group</u>

22. REMARKS
Comments, if any, will follow.

Pen-and-ink change made to Box 6 by CMS with state concurrence.

Attachment 4.19D		ITEM B	PAGE 31(a)
MEDICAL ASSISTANCE	SUBJECT NURSING FACILITY REIMBURSEMENT		DATE SR

POLICY
(Continued)
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9999.8

- (5) In order to qualify as a provider of atypical care, a provider shall make application in writing that:
 - (a) Requests to be considered a provider of atypical care;
 - (b) Describes the care or services to be provided; and
 - (c) Documents the costs of such care.
- (6) The Department shall determine if a facility is qualified to provide and be paid for atypical care based on documentation submitted by the facility, and on whether there is a documented need for these services as determined by the availability of such services in the locality.
- (7) Applications for approval of atypical care providers that have been denied may be appealed pursuant to He-E 806.41.
- (8) State Government Owned and Operated providers will receive an interim rate that will be reconciled to actual costs as part of the cost report settlement process.

The Department shall make payment for state governmental nursing facility services as follows:

The interim daily rate shall be determined prior to the start of each fiscal year from the most recent as submitted Medicaid cost report. The costs are from the Schedule A of the Medicaid cost report, Grand Totals line 370 minus Non-Reimbursable Line 283, Nursing Facility care columns of ICF, SNF, and any Atypical care units. For each component (ICF, SNF, and Atypical Care Unit), the total reimbursable costs are divided by the total Nursing Facility care patient days for the component to determine an interim daily rate. The interim daily rate cost calculation may be adjusted as needed based on planned or unknown future increases in expenditures that are not accounted for in the most recent submitted Medicaid cost report. Interim payments are provisional in nature and subject to reconciliation after the completion of cost reconciliation and settlement.

Final reimbursement for services provided shall be based on the finalized certified cost report provided to the Department. The Department shall review and audit the data before finalizing the certified cost report.

- **Cost Methodology:** In determining Medicaid allowable costs for providing services at each facility, the Department accounts for all Medicaid allowable costs as reflected on the Medicaid cost report. The allowable costs are from the audited Schedule A of the Medicaid cost report, Grand Totals line 370 minus Non-Reimbursable Line 283, Nursing Facility care columns of ICF, SNF, and any Atypical care units. Allowable costs from the Medicaid cost reports are defined consistent with applicable Medicare cost principles at 42 CFR 413 and Medicare Provider Reimbursement Manual, Part I and II, and federal cost principles at 2 CFR Subpart E. The total allowable costs are allocated to the Medicaid population by multiplying

TN No: 22-0031
Supersedes
TN No: 21-0004

Approval Date: October 25, 2022 Effective Date: 07/01/22

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POLICY
(Continued)
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9999.8

the percentage of covered and adjudicated Medicaid fee-for-service (FFS) days from the Medicaid Management Information System (MMIS) out of the total days for the cost report period for each of the applicable components (ICF, SNF, and Atypical Care Unit). This allocated cost is the total certified Medicaid Reimbursable Cost. The Medicaid Reimbursable Cost is further offset by other applicable sources of patient care revenue for the Medicaid FFS services, including third party payments and patient copayments, to arrive at net Medicaid Reimbursable costs.

- Settlement: Within 24 months of the end of a reporting period, the Department will compare the final audited net Medicaid Reimbursable costs to Medicaid payments made for the period. If interim payments exceed the final audited net costs, the Department will recoup the reconciled difference and return the federal share of overpayment to the federal government pursuant to 42 CFR 433, Subpart F. If the final audited net costs exceed the interim payments, the Department will submit claims for the additional costs to reimburse the facility.

d. Payment of Rates

1. The Department will determine and pay rates for long term nursing care based on the principles and procedures contained in the Title XIX State Plan.
2. The Department will reimburse at the rates set by out-of-state Medicaid agencies for services rendered to NH Medicaid patients in those states.
3. However, where an out-of-state Medicaid rate does not exist, or it is not sufficient to allow access of the New Hampshire patients in need of services, a rate will be determined by the Division of Elderly & Adult Services on the basis of cost data and cost finding as described in Section 9999.7 and 8.

e. Proportionate Share Incentive Adjustment

No payment shall be made under this section for any period after state fiscal year 2005.

1. The Department recognizes that non-State operated governmental (county) nursing facilities provide care to many severely medically involved patients requiring an extraordinary intensive and costly level of care and have a very high Medicaid proportion of their patient census.
2. The Department will ensure continued access to this level of care through proportionate share incentive adjustment payments to each non-State operated governmental nursing facility.

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Supersedes
TN No: N/A, new page

Approval Date: October 25, 2022 Effective Date: 07/01/22