

June 29, 2011

National Institutional Reimbursement Team
CMS, CMSO
Attention: Mark Cooley
7500 Security Boulevard, M/S S3-13-15
Baltimore, MD 21244-1850

RE: Nebraska TN # 11-16 – Distribution of DSH Overpayments

Dear Mr. Cooley:

Enclosed please find the above referenced amendment to the Nebraska State Plan regarding distribution of disproportionate share hospital overpayments.

Prior to submitting this State Plan Amendment, the Division of Medicaid Long-Term Care notified the federally recognized Native American Tribes within the State of Nebraska.

If you have content questions, please feel free to contact Margaret Booth, Margaret.booth@nebraska.gov, 402-471-9380 or for submittal questions, Pat Taft, 402-471-7787, pat.taft@nebraska.gov.

Sincerely,



Vivianne M. Chaumont, Director
Division of Medicaid & Long-Term Care
Department of Health and Human Services

cc: James G. Scott
Gail Brown Stevenson

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| TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL | | 1. TRANSMITTAL NUMBER: 11-16 | 2. STATE Nebraska |
| FOR: HEALTH CARE FINANCING ADMINISTRATION | | 3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID) | |
| TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES | | 4. PROPOSED EFFECTIVE DATE July 1, 2011 | |
| 5. TYPE OF PLAN MATERIAL (<i>Check One</i>): <input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" type="checkbox"/> AMENDMENT COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (<i>Separate Transmittal for each amendment</i>) | | | |
| 6. FEDERAL STATUTE/REGULATION CITATION: | | 7. FEDERAL BUDGET IMPACT: a. FFY 2011 \$Unknown b. FFY 2012 \$Unknown | |
| 8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-A, pages 21b and 21c | | 9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (<i>If Applicable</i>): Attachment 4.19-A, page 21b | |
| 10. SUBJECT OF AMENDMENT: Distribution of disproportionate share hospital overpayments. | | | |
| 11. GOVERNOR'S REVIEW (<i>Check One</i>): <input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input checked="" type="checkbox"/> OTHER, AS SPECIFIED: <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED Governor has waived review <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL | | | |
| 12. SIGNATURE OF STATE AGENCY OFFICIAL:  | | 16. RETURN TO: Patricia (Pat) Taft Division of Medicaid & Long-Term Care Nebraska Department of Health & Human Services 301 Centennial Mall South Lincoln, NE 68509 | |
| 13. TYPED NAME: Vivianne M. Chaumont | | | |
| 14. TITLE: Director, Division of Medicaid and Long-Term Care | | | |
| 15. DATE SUBMITTED: June 29, 2011 | | | |
| FOR REGIONAL OFFICE USE ONLY | | | |
| 17. DATE RECEIVED: | | 18. DATE APPROVED: | |
| PLAN APPROVED – ONE COPY ATTACHED | | | |
| 19. EFFECTIVE DATE OF APPROVED MATERIAL: | | 20. SIGNATURE OF REGIONAL OFFICIAL: | |
| 21. TYPED NAME: | | 22. TITLE: | |
| 23. REMARKS: | | | |

10-010.03H3a(6) Uncompensated Care Pool (Pool 6): Pool 6 consists of hospitals that provide services to low-income persons covered by a county administered general assistance (GA) program; or hospitals that provide services to low-income persons covered by the state administered public behavioral health system.

10-010.03H3a(6)(a) Total funding to Pool 6 will be the remaining balance of the total (federal and state) DSH funding minus the funding for Pools 1, 2, 3, 4, and 5, The Department will calculate payments as follows:

1. DSH payments to a hospital under all other pools will be subtracted from the hospital's DSH upper payment limit before allocating payments under Pool 6.
2. The costs for uncompensated care resulting from participation in county administered general assistance (GA) program will be reported by the county; and costs for the state administered public behavioral health system will be reported by each hospital. Reported costs will be subject to audit by the Department.
3. A ratio for each hospital will be determined based on the uncompensated cost for each hospital to the total of uncompensated cost for all hospitals in Pool 6.
4. The ratio for each hospital will be multiplied times the available funding to the Pool to yield each hospital' annual payment amount.
5. The total computable payment will be commensurate with the charges for uncompensated care resulting from participation in county administered general assistance (GA) program; or the state administered public behavioral health system.
6. The annual payment amount will be dispersed in twelve monthly payments.
7. If payment to the hospital exceeds the disproportionate share payment limit, as established under 1923(f) of the Social Security Act, the payment will be reduced to the payment limit.
8. If payments to hospitals under this pool exceed the total allotment to Nebraska, the payments will be reduced prorata.

10-010.03H3b Limitations on disproportionate share payments:

- (1) No payments made under this section will exceed any applicable limitations upon such payments established by Section 1923 (g)(1)(A) of the Social Security Act.
- (2) Disproportionate share payments to all qualified hospitals for a year will not exceed the State disproportionate share hospital payment limit, as established under 1923 (f) of the Social Security Act.

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Supersedes

Approval Date _____

Effective Date _____

TN No. MS 06-02

- (3) Beginning in state fiscal year 2010, to the extent that audit findings demonstrate that any disproportionate share hospital payments exceed the documented hospital specific limit, the overpayment amount will be redistributed to qualifying hospitals.

10-010.03J Out-of-State Hospital Rates: The Department pays out-of-state hospitals for hospital inpatient services at the peer group rate for a like peer group of Nebraska hospitals. The peer groups are -

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Approval Date _____ Effective Date _____