

August 10, 2011

James G. Scott
Associate Regional Administrator
for Medicaid and Children's Health Operations
Centers for Medicare & Medicaid Services
601 East 12th Street, Suite 235
Kansas City, Missouri 64106

RE: Nebraska SPA #11-19 – Physician Fee Schedule Reduction

Dear Mr. Scott:

Enclosed please find the above referenced amendment to the Nebraska State Plan regarding a reduction in the physician's fee schedule.

Prior to submitting this State Plan Amendment, the Division of Medicaid and Long-Term Care sought consultation from federally recognized Native American Tribes and Indian Health Programs within the State of Nebraska to discuss the impact that the proposed State Plan Amendment might have, if any, on the Tribes. We received no comments.

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 and Long-Term Care
Department of Health and Human Services

cc: Gail Brown Stevenson

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: HEALTH CARE FINANCING ADMINISTRATION	1. TRANSMITTAL NUMBER: 11-19	2. STATE Nebraska
	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 (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:	7. FEDERAL BUDGET IMPACT: a. FFY 2011 \$(130,990) b. FFY 2012 \$(392,969)
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-B, Item 5, p. 1	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Attachment 4.19-B, Item 5, p. 1

10. SUBJECT OF AMENDMENT:
Physician Fee Schedule Reduction

11. GOVERNOR'S REVIEW (Check One):

GOVERNOR'S OFFICE REPORTED NO COMMENT OTHER, AS SPECIFIED:
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED Governor has waived review
 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: August 10, 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:

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State Nebraska

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES

PHYSICIANS' SERVICES

For dates of service on or after August 1, 1989, NMAP pays for covered physicians' services at the lower of:

1. The provider's submitted charge; or
2. The allowable amount for that procedure code in the Nebraska Medicaid Practitioner Fee Schedule in effect for that date of service. The allowable amount is indicated in the fee schedule as:
 - a. The unit value multiplied by the conversion factor (last updated on July 1, 2010);
 - b. The invoice cost (indicated as "IC" in the fee schedule); or
 - c. The reasonable charge for the procedure as determined by the Medicaid Division (indicated as "BR" - by report or "RNE" - rate not established - in the fee schedule).
3. Exception: The Director of the Division of Medicaid and Long-Term Care or designee may enter into an agreement for a negotiated rate with an out-of-state provider which will be based on a percentage of billed charges, not to exceed 100%, only when the Medical Director of the Division has determined that:
 - a. The client requires specialized services that are not available in Nebraska; and
 - b. No other source of the specialized service can be found.

The following is a listing of specialized physician services that have been previously rendered by out-of-state providers:

- a. lung transplants; and
- b. pediatric heart transplants.

Note: The above listing is not all-inclusive of the specialized physician services that will be reimbursed via negotiated rates in the future, as it is based on previous experience."

The Nebraska Medicaid Practitioner Fee Schedule was last updated on July 1, 2011 and is effective for services rendered on or after that date. The fee schedule is subject to annual/periodic adjustment. All rates, including current and prior rates, are published and maintained on the agency's website. Specifically, the fee schedule and any annual/periodic adjustments to the fee schedule are published at http://www.dhhs.ne.gov/med/practitioner_fee_schedule.htm.

Physicians and non-physician care providers are subject to a site-of-service payment adjustment. A site-of-service differential that reduces the fee schedule amount for specific CPT/HCPCS codes will be applied when the service is provided in the facility setting. Based on the Medicare differential, NMAP will reimburse specific CPT/HCPCS codes with adjusted rates based on the site-of-service.

The Nebraska Medicaid Practitioner Fee Schedule is effective July 1 through June 30 of each year.

TN #. 11-19

Supersedes

Approval Date _____ Effective Date _____ +

TN #. NE 10-08