

NEBRASKA

Good Life. Great Mission.

DEPT. OF HEALTH AND HUMAN SERVICES



Jim Pillen, Governor

September 4, 2024

James G. Scott, Director
Centers for Medicare & Medicaid Services
Kansas City Regional Operations Group
Division of Medicaid Field Operations-North
601 East 12th Street, Suite 355
Kansas City, Missouri 64106-2898

RE: Nebraska State Plan Amendment NE 24-0009

Dear Mr. Scott:

Enclosed please find the above referenced amendment to the Nebraska State Plan regarding a new hospital specialty type, the rural emergency hospital.

The Division of Medicaid and Long-Term Care sent notice on May 31, 2024 (attached) to the federally recognized Native American Tribes and Indian Health Programs within the State of Nebraska to discuss the impact the proposed state plan amendment might have, if any, on the Tribes. No comments were received.

If you have content questions, please feel free to contact Jeremy Brunssen at jeremy.brunssen@nebraska.gov or 402-540-0380. For submittal questions, please contact Dawn Kastens at dawn.kastens@nebraska.gov or 531-893-3779.

Sincerely,

Matthew Ahern, Interim Director
Division of Medicaid and Long-Term Care
Department of Health and Human Services

cc: Tyson Christensen
Tim Weidler

Enclosures

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES	1. TRANSMITTAL NUMBER <table border="1" style="width: 100%; text-align: center;"> <tr> <td style="width: 20px;">2</td> <td style="width: 20px;">4</td> <td style="width: 20px;">—</td> <td style="width: 20px;">0</td> <td style="width: 20px;">0</td> <td style="width: 20px;">0</td> <td style="width: 20px;">9</td> </tr> </table>	2	4	—	0	0	0	9	2. STATE <table border="1" style="width: 100%; text-align: center;"> <tr> <td style="width: 20px;">N</td> <td style="width: 20px;">E</td> </tr> </table>	N	E
	2	4	—	0	0	0	9				
N	E										
3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT <input checked="" type="checkbox"/> XIX <input type="checkbox"/> XXI											

TO: CENTER DIRECTOR CENTERS FOR MEDICAID & CHIP SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES	4. PROPOSED EFFECTIVE DATE July 1, 2024
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5. FEDERAL STATUTE/REGULATION CITATION 42 CFR Part 485 Subpart E	6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars) a. FFY <u>2024</u> \$ <u>0</u> b. FFY <u>2025</u> \$ <u>0</u>
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7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT Att. 4.19-A, Pgs 1e, 17, and 22	8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) Att. 4.19-A, Pgs 1e, 17, and 22
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9. SUBJECT OF AMENDMENT
Rural Emergency Hospitals

10. GOVERNOR'S REVIEW (Check One)

<input type="radio"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input type="radio"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="radio"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL	<input checked="" type="radio"/> OTHER, AS SPECIFIED: Governor has waived review
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11. SIGNATURE OF STATE AGENCY OFFICIAL 	15. RETURN TO Dawn Kastens Division of Medicaid & Long-Term Care Nebraska Department of Health and Human Services 301 Centennial Mall South Lincoln, NE 68509
12. TYPED NAME Matthew Ahern	
13. TITLE Interim Director, Division of Medicaid & Long-Term Care	
14. DATE SUBMITTED September 4, 2024	

FOR CMS USE ONLY	
16. DATE RECEIVED	17. DATE APPROVED

PLAN APPROVED - ONE COPY ATTACHED	
18. EFFECTIVE DATE OF APPROVED MATERIAL	19. SIGNATURE OF APPROVING OFFICIAL
20. TYPED NAME OF APPROVING OFFICIAL	21. TITLE OF APPROVING OFFICIAL

22. REMARKS

Peer Group: A grouping of hospitals or distinct part units of a hospital for the purpose of determining payment amounts. Hospitals are grouped with similar characteristics, licenses, Medicare certification, and/or classifications in the CMS IPPS Impact File.

- Peer Group 1 Metro Acute Care Hospitals
- Peer Group 2 Urban Acute Care & Regional Rural Referral
- Peer Group 3 Rural Acute Hospitals
- Peer Group 4 Indian Health Service & Beatrice Development Center Hospitals
- Peer Group 5 Mental Health (Psychiatric) Inpatient Hospitals
- Peer Group 6 Physical Rehabilitation Hospitals
- Peer Group 7 Critical Access Hospitals
- Peer Group 8 Rural Emergency Hospitals
- Peer Group 9 Long-Term Acute Care Hospitals
- Peer Group 10 Children's Hospitals

Peer Group Base Payment Amount: A base payment per discharge or per diem amount used to calculate the operating cost payment amount. The hospitals in Peer Group 1 Metro, Peer Group 2 Urban/Regional Rural Referral, Peer Group 3 Rural, Peer Group 5 Mental Health, Peer Group 9 Long-Term Acute Care Hospitals and Peer Group 10 Children's will have the same base payment or per diem amount.

Reporting Period: Same reporting period as that used for its Medicare cost report.

Resource Intensity: The relative volume and types of diagnostic, therapeutic and bed services used in the management of a particular disease.

Risk of Mortality (ROM): The likelihood of dying.

Rural Emergency Hospital: A hospital licensed as a rural emergency hospital by the Department of Health and Human Services according to state regulations, and certified for participation by Medicare as a Rural Emergency Hospital. A Rural Emergency Hospital solely provides outpatient services, including emergency department services, observation care, and additional outpatient medical and health services that do not exceed an annual per patient length of stay of 24 hours on average.

Severity of Illness level (SOI): The extent of physiologic decompensation or organ system loss of function.

Transmittal # NE 24-0009
Supersedes
Transmittal # NE 14-002

Approved _____ Effective _____

Adjustment of Hospital-Specific Base Payment Amount: Effective July 1, 2022, the transplant DRG DME rates will be increased by 2%. Effective July 1, 2023, the transplant DRG DME rates will be increased by 3%.

Calculation of Hospital-Specific Capital Per Diem Rate: Capital-related cost payments for the building and fixtures portion of capital-related costs are paid on a per discharge basis.

Payment for Services Furnished by a Critical Access Hospital (CAH) or Rural Emergency Hospital:

Payment for Services Furnished by a Critical Access Hospital (CAH)

Effective for cost reporting periods beginning July 1, 2015, and after payment for inpatient services of a CAH is the reasonable cost of providing the services, as determined under applicable Medicare principles of reimbursement, except that the following principles do not apply: the lesser of costs or charges (LCC) rule, ceilings on hospital operating costs, and the reasonable compensation equivalent (RCE) limits for physician services to providers.

Subject to the 96-hour average on inpatient stays in CAHs, items and services that a CAH provides to its inpatients are covered if they are items and services of a type that would be covered if furnished by a hospital to hospital inpatients.

Payment for Services Furnished by a Rural Emergency Hospital

The outpatient rate is the ancillary and outpatient service cost center's cost-to-charge ratio up to 100%.

Transmittal # NE 24-0009
Supersedes
Transmittal # NE 23-0009

Approved _____ Effective _____

Out-of-State Hospital Rates: The Department pays out-of-state hospitals for hospital inpatient services using the same methods described in state regulations for in-state hospitals, except that out-of-state hospitals do not receive Direct Medical Education (DME) Cost Payments, Indirect Medical Education (IME) Cost Payments or Graduate Medical Education (GME) Payments. Payments for services are determined by assigning out-of-state hospitals to the appropriate peer group.

Peer Group 1 Metro, Peer Group 2 Urban/Regional Rural Referral, Peer Group 3 Rural and Peer Group 10 Children's Hospitals:

1. Operating costs payment amounts are calculated based on the appropriate peer group base payment amount.
2. Capital-related cost payment are made based on the appropriate peer group capital per diem rate.
3. Outpatient Rates will be the average of the in-state peer group.

Peer Group 5 Psychiatric Hospitals

Tiered rates per diem will be used for all psychiatric services and are the same of the in-state hospitals.

Peer Group 6 Rehabilitation Hospitals

Payments are made on a prospective per diem for rehabilitation hospitals are based on average of the in-state rehabilitation hospitals per diem rates.

Peer Group 7 Critical Access Hospitals (CAH)

1. Acute per diem payment will be the average of in-state hospitals.
2. Bassinet/Nursery per diem will be the average of in-state hospitals.
3. Outpatient Rates will be the average of in-state Critical Access Hospitals.

Peer Group 8 Rural Emergency Hospitals (REH)

Outpatient Rates will be the average of in-state Rural Emergency Hospitals.

Peer Group 9 Long Term Acute Care Hospitals (LTACH)

Payments are made on a prospective per diem for long term acute care hospitals are based on average of the in-state rehabilitation hospitals per diem rates.

Exception: The Administrator of the Medicaid Division may enter into an agreement with an out-of-state hospital for a rate that exceeds the rate or fee established in state regulations only when the Medical Director of the Department has determined that-

1. The client requires specialized services that are not available in Nebraska; and
2. No other source of the specialized services can be found to provide the services at the rate established in state regulations.

Out-of-Plan Services: When enrollees in Nebraska Medicaid Managed Care plans are provided hospital inpatient services by facilities not under contract with the Department's managed care organizations, the managed care organizations are authorized, but are not required, to pay providers of hospital inpatient services at rates the Department would otherwise reimburse providers under this chapter.

TN No. NE 24-0009

Supersedes
TN No. 11-16

Approval Date _____ Effective Date _____