STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State/Territory: Nebraska

I. Eligibility

The State determines eligibility for PACE enrollees under rules applying to community groups.

A. _X_ The State determines eligibility for PACE enrollees under rules applying to institutional groups as provided for in section 1902(a)(10)(A)(ii)(VI) of the Act (42 CFR 435.217 in regulations). The State has elected to cover under its State plan the eligibility groups specified under these provisions in the statute and regulations. The applicable groups are:

1902(a)(10)(A)(ii)(XI) of the Act
1902(a)(10)(A)(ii)(X) and 1902(m)(1) and (3) of the Act
42 CFR 435.310
42 CFR 435.320
42 CFR 435.322
42 CFR 435.324

The State will use the actual maximum monthly allowable Special Needs Nursing Facility rate to reduce an individual's income to an amount at or below the medically needy income limit (MNIL) for persons who are medically needy with a Share of Cost.

B. ___ The State determines eligibility for PACE enrollees under rules applying to institutional groups, but chooses not to apply post-eligibility treatment of income rules to those individuals. (If this option is selected, skip to II - Compliance and State Monitoring of the PACE Program.

C. _X_ The State determines eligibility for PACE enrollees under rules applying to institutional groups, and applies post-eligibility treatment of income rules to those individuals as specified below. Note that the post-eligibility treatment of income rules specified below are the same as those that apply to the State's approved HCBS waiver(s).

D. _X__ Spousal impoverishment eligibility rules are being applied.

Regular Post Eligibility

1. _X_ SSI State. The State is using the post-eligibility rules at 42 CFR 435.726. Payment for PACE services is reduced by the amount remaining after deducting the following amounts from the PACE enrollee's income.

   (a). Sec. 435.726--States which do not use more restrictive eligibility requirements than SSI.

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1. Allowances for the needs of the:
   (A.) Individual (check one)
   1. ___ The following standard included under the State plan (check one):
      (a) _____ SSI
      (b) _____ Medically Needy
      (c) _____ The special income level for the institutionalized
      (d) _____ Percent of the Federal Poverty Level: ____
      (e) _____ Other (specify):________________________

   2. ___ The following dollar amount: $________
   Note: If this amount changes, this item will be revised.

   3. _X__ The following formula is used to determine the needs allowance:
      (a) For waiver clients receiving Assisted Living Services: The State protects the SSI standard.
      (b) For clients receiving waiver services in other eligible living arrangements: The State protects the medically needy income standard.

   Note: If the amount protected for PACE enrollees in item 1 is equal to, or greater than the maximum amount of income a PACE enrollee may have and be eligible under PACE, enter N/A in items 2 and 3.

   (B.) Spouse only (check one):
   1 .___ SSI Standard
   2. ___ Optional State Supplement Standard
   3. ___ Medically Needy Income Standard
   4. ___ The following dollar amount: $________
   Note: If this amount changes, this item will be revised.
   5. ___ The following percentage of the following standard that is not greater than the standards above: _____% of ______ standard.
   6. ___ The amount is determined using the following formula:
   7. _X_ Not applicable (N/A)

   (C.) Family (check one):
   1. ___ AFDC need standard
   2. _X_ Medically needy income standard

   The amount specified below cannot exceed the higher of the need standard for a family of the same size used to determine eligibility under the State's approved AFDC plan or the medically needy income standard established under 435.811 for a family of the same size.

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3. ___ The following dollar amount: $_______
Note: If this amount changes, this item will be revised.
4. ___ The following percentage of the following standard that is not greater than the standards above:______% of______ standard.
5. ___ The amount is determined using the following formula:
6. ___ Other
7. ___ Not applicable (N/A)

(2). Medical and remedial care expenses in 42 CFR 435.726.

Regular Post Eligibility

2. ___ 209(b) State, a State that is using more restrictive eligibility requirements than SSI. The State is using the post-eligibility rules at 42 CFR 435.735. Payment for PACE services is reduced by the amount remaining after deducting the following amounts from the PACE enrollee's income.

(a) 42 CFR 435.735--States using more restrictive requirements than SSI.

1. Allowances for the needs of the:
(A.) Individual (check one)
1. __ The following standard included under the State plan (check one):
(a) __ SSI
(b) __ Medically Needy
(c) __ The special income level for the institutionalized
(d) __ Percent of the Federal Poverty Level: ______%
(e) __ Other (specify):________________________
2. ___ The following dollar amount: $________
Note: If this amount changes, this item will be revised.
3. ___ The following formula is used to determine the needs allowance:

Note: If the amount protected for PACE enrollees in item 1 is equal to, or greater than the maximum amount of income a PACE enrollee may have and be eligible under PACE, enter N/A in items 2 and 3.

(B.) Spouse only (check one):
1. __ The following standard under 42 CFR 435.121:
2. __ The Medically needy income standard
3. __ The following dollar amount: $________
Note: If this amount changes, this item will be revised.

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4. __ The following percentage of the following standard that is not greater than the standards above: _____% of ______ standard.
5. __ The amount is determined using the following formula:
6. __ Not applicable (N/A)

(C.) Family (check one):
1. __ AFDC need standard
2. __ Medically needy income standard

The amount specified below cannot exceed the higher of the need standard for a family of the same size used to determine eligibility under the State's approved AFDC plan or the medically needy income standard established under 435.811 for a family of the same size.

3. __ The following dollar amount: $_______
Note: If this amount changes, this item will be revised.
4. __ The following percentage of the following standard that is not greater than the standards above:______% of______ standard.
5. __ The amount is determined using the following formula:
6. __ Other
7. __ Not applicable (N/A)

(b) Medical and remedial care expenses specified in 42 CFR 435.735.

Spousal Post Eligibility

3._X_ State uses the post-eligibility rules of Section 1924 of the Act (spousal impoverishment protection) to determine the individual's contribution toward the cost of PACE services if it determines the individual's eligibility under section 1924 of the Act. There shall be deducted from the individual's monthly income a personal needs allowance (as specified below), and a community spouse's allowance, a family allowance, and an amount for incurred expenses for medical or remedial care, as specified in the State Medicaid plan.

(a.) Allowances for the needs of the:
1. Individual (check one)
(A). __ The following standard included under the State plan (check one):
1. __ SSI
2. __ Medically Needy
3. __ The special income level for the institutionalized
4. __ Percent of the Federal Poverty Level: ____
5. __ Other (specify):________________________

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(B). __ The following dollar amount: $________
Note: If this amount changes, this item will be revised.

(C). _X_ The following formula is used to determine the needs allowance:
(1) For waiver clients receiving Assisted Living Services: The State protects the SSI standard.
(2) For clients receiving waiver services in other eligible living arrangements: The State protects the medically needy income standard.

If this amount is different than the amount used for the individual's maintenance allowance under 42 CFR 435.726 or 42 CFR 435.735, explain why you believe that this amount is reasonable to meet the individual's maintenance needs in the community:

____
____
____

II. Rates and Payments

A. The State assures that the capitated rates will be equal to or less than the cost to the agency of providing those same fee-for-service State plan approved services on a fee-for-service basis, to an equivalent non-enrolled population group based upon the following methodology. Please attach a description of the negotiated rate setting methodology and how the State will ensure that rates are less than the cost in fee-for-service.

1. ___ Rates are set at a percent of fee-for-service costs
2. ___ Experience-based (contractors/State's cost experience or encounter date)(please describe)
3. ___ Adjusted Community Rate (please describe)
4. _X_ Other (please describe) Rates are set at a percent of Upper Payment Limits.

The State contracts with an actuarial company to develop PACE Upper Payment Limits (UPLs). The UPLs are developed based on historical Nebraska Medicaid fee-for-service (FFS) costs for individuals aged 55 and over who were either nursing home residents or eligible for HCBS waiver services based on meeting nursing facility level of care criteria. Projection factors are applied to the UPLs to reflect utilization changes, historical and prospective Medicaid program changes, and provider rate changes. The UPLs are then summarized into rate cells by eligibility category and defined geographic area. The State ensures that rates paid to PACE provider organizations are less than the cost in FFS by negotiating a rate for each that are less than the UPL.

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B. The State Medicaid Agency assures that the rates were set in a reasonable and predictable manner. Please list the name, organizational affiliation of any actuary used, and attestation/description for the capitation rates.

The State contracted with Schramm Health Partners, LLC dba Optumas, to develop its UPLs for state fiscal year 2015. The UPLs were developed by, Tim Doyle, FSA, MAAA, Principal and Consulting Actuary. The UPLs are an estimate of what costs would have been to Nebraska Medicaid for PACE participants if they had not enrolled in PACE. Within each eligibility category (dually Medicaid and Medicare eligible, Medicaid only, dually Medicaid and Medicare (Part B only) eligible and Qualified Medicare Beneficiary (QMB)), Optumas developed separate UPLs for nursing home residents and HCBS waiver participants who meet nursing facility level of care criteria (aka PACE eligibles) by geographic area. Optumas then weighted these UPLS by the estimated distribution of individuals in each service category (based on the distribution of 2012 eligible months) to calculate the overall UPLs. The FFS data was not credible for the Part B and QMB populations, thus the UPL for these rate cells are derived using components of the Dual and Medicaid Only cohort UPLs.

Data Reliance and Important Caveats

In developing the UPLs, Optumas relied on data and other information provided by the State. Since the source of the data was the State's Medicaid Management Information System (MMIS), the State takes responsibility for the accuracy and validity of the base data. The following data and information was used:

- Medicaid claims and eligibility data for individuals ages 55 and older, including a description of each data field and its potential use in classifying individuals into eligibility groupings of service use and Medicare eligibility;
- Summary of Medicaid fee and program changes in SFY 2012 and later; and
- Quarterly CMS-64 Medicaid Administrative Cost reports for FFY 2013