
March 23, 2017

Marie Zimmerman, State Medicaid Director
Minnesota Department of Human Services
P.O. Box 64983
St. Paul, MN 55164-0983

Dear Ms. Zimmerman:

Enclosed for your records is an approved copy of the following State Plan Amendment:

Transmittal #14-001 --Revising state plan payment rates for physician services, and amending the supplemental payment rates for physicians and other practitioners at Hennepin County Medical Center and Regions Hospital.

--Effective Date: January 1, 2014

--Approval Date: March 23, 2017

During our review of this amendment, the state provided written assurance to CMS that it would not request Federal Financial Participation (FFP) for supplemental payments for anesthesia services, described in item 5.a. of Attachment 4.19-B, until after the state has submitted the required Average Commercial Rate (ACR) demonstrations for calendar years 2015 and 2016.

If you have any additional questions, please have a member of your staff contact Sandra Porter at (312) 353-8310 or via e-mail at Sandra.Porter@cms.hhs.gov.

Sincerely,

/s/

Alan Freund
Acting Associate Regional Administrator
Division of Medicaid and Children's Health Operations

Enclosures

cc: Ann Berg, DHS
 Sean Barrett, DHS



March 23, 2017

Marie Zimmerman, State Medicaid Director
Minnesota Department of Human Services
P.O. Box 64983
St. Paul, MN 55164-0983

Re: CMS Companion Letter – MN SPA 14-001

Dear Ms. Zimmerman:

This letter is being sent as a companion to CMS' approval of Minnesota state plan amendment Transmittal Number (TN) 14-001 submitted to CMS on March 28, 2014. This state plan amendment revises state plan payment rates for physician services and amends the supplemental payment for physicians and other practitioners at Hennepin County Medical Center and Regions Hospital. In Attachment 4.19-B on page 10j the supplemental physician plan language lacks a list of the "other practitioners" that are affiliated with the group practices targeted for the enhanced payments at the hospitals.

In accordance with Section 1902(a)(30)(A) of the Social Security Act, which requires the state plan include a comprehensive description of the methods and standards used to set payment rates and provide a basis for Federal financial participation (FFP), states much include a list of the practitioners targeted for the enhanced payments. Thus, CMS requests a state plan amendment that lists the non-physician practitioners included in the supplemental payments to these hospitals.

The state has ninety (90) days from the date of this letter to address the issue described above. During this time period, the state must either submit a SPA with the additional information or a corrective action plan describing in detail how the state will resolve the issue in a timely manner. Failure to respond may result in the initiation of a formal compliance process. During the 90-day compliance period, CMS will be available to provide technical assistance if needed.

If you have any questions concerning this SPA, please contact Sandra Porter, of my staff, at (312) 353-8310.

Sincerely,

/s/

Alan Freund
Acting Associate Regional Administrator
Division of Medicaid and Children's Health Operations

cc: Ann Berg, DHS
Sean Barrett, DHS

STATE: MINNESOTA
Effective: January 1, 2014
TN: 14-01
Approved: 3/23/17
Supersedes: 11-02 (10-21, 09-25. 09-20, 08-17,07-12,07-08,07-09,07-06,06-19,05-21)

ATTACHMENT 4.19-B
Page 10

5.a. Physicians' services, whether furnished in the office, the patient's home, a hospital, a nursing facility or elsewhere.

Effective for services provided on or after January 14, 2014, payment for physician services is the lowest of:

- 1) submitted charges; or
- 2) a) The Resource Based Relative Value Scale calculated values(as published by the Centers for Medicare & Medicaid Services in November of the previous calendar year ~~November 2012~~); or
- b) State agency established rate; or
- C) For delivery services, including cesarean delivery services that are not complicated:
 - 59400, 59510, 59610: \$1387.89
 - 59409, 59514, 59612: \$540.00
 - 59410, 59515, 59614: \$696.73

STATE: MINNESOTA

ATTACHMENT 4.19-B

Effective: January 1, 2014

Page 10a

TN: 14-01

Approved: 3/23/17

Supersedes: 13-03 (12-07, 11-02, 10-06, 09-25, 09-20, 08-17, 07-12, 07-08, 07-09, 07-06, 06-19, 05-21)

5.a. Physicians' services, whether furnished in the office, the patient's home, a hospital, a nursing facility or elsewhere (continued).

Effective for services on or after January 14, 2014, the Resource Based Relative Value Scale conversion factors are:

- Evaluation and Management services: ~~\$27.10~~27.92
- Obstetric services: ~~\$27.10~~27.92
- Psychiatric services: \$32.49
- All other physician services: ~~\$24.52~~25.25

Effective for services on or after January 1, 2012~~April 15, 2014~~, procedure code 58565 pays the lower of:

- 1) Submitted charge; or
- 2) ~~\$1847.43~~1863.65

Effective July 1, 2007, through June 30, 2009, eligible providers are paid an additional \$125 every six months for each recipient for whom the provider demonstrates optimal diabetic and/or cardiovascular care which includes:

- Blood pressure less than 140/90; and
- Lipids less than 100; and

STATE: MINNESOTA
Effective: January 1, 2014
TN: 14-01

ATTACHMENT 4.19-B
Page 10j

Approved: 3/23/17

Supersedes: 13-25 (11-02, 10-06, 09-25, 09-20, 08-17,07-12,07-08,07-09,07-06,06-19,05-21)

5.a. Physicians' services, whether furnished in the office, the patient's home, a hospital, a nursing facility or elsewhere (continued).

- health care; or
- The recipient (or caregiver of a dependent recipient) has a serious and persistent mental illness.

Additional payment adjustment for physician practice groups at Hennepin County Medical Center and Regions Hospital Effective for services delivered on or after July 1, 2009, in recognition of the services provided by physicians and, effective for services delivered on or after January 1, 2011, non-physician practitioners affiliated with the two largest safety net hospitals, an additional adjustment, in total for the physician practice groups associated with Hennepin County Medical Center (Hennepin Healthcare System) and with Regions Hospital (HealthPartners), will be made in October of each calendar year, within two years following the close of the federal fiscal year, that equals the difference between average commercial payer rates for the hospital-based services delivered by physicians and practitioners affiliated with Hennepin County Medical Center and Regions Hospital and the rates paid to those physicians and practitioners under this section of Attachment 4.19-B using rates from the most recently complete calendar year available. Anesthesia services delivered on or after January 1, 2014, will also be included in the supplemental payment. ~~Anesthesia services and b~~Bundled radiology services are excluded from this payment. Total payments shall be based on data and calculated beginning in January of each year as follows:

1. For physician services delivered at Hennepin County Medical Center by physicians and practitioners practicing with Hennepin Healthcare System, the set of services (by HCPCS code) delivered to Medicaid eligible individuals and billed on a fee-for-service basis shall be determined using MMIS data.

For physician services delivered at Regions Hospital by physicians and practitioners practicing with HealthPartners, the set of services (by HCPCS code) delivered to Medicaid eligible individuals and billed on a fee-for-service basis shall be determined using a list of transaction control numbers from HealthPartners' billing system. DHS will use the supplied transaction control numbers to extract the relevant HCPCS codes from the MMIS system.

2. The payment rate for HCPCS code will be supplied, by the practice groups, for the top five commercial payers from the billing systems of the two physician practice groups.