

Department of Health & Human Services  
Centers for Medicare & Medicaid Services  
233 North Michigan Avenue, Suite 600  
Chicago, Illinois 60601-5519



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March 22, 2018

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 #17-0013      --Revises supplemental payments to certain safety-net hospitals for physician and dental services by including the University of Minnesota as an eligible provider. Also revises supplemental payments for ambulance services to include non-state, government-owned providers.

--Effective Date: July 1, 2017

--Approval Date: March 21, 2018

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](mailto:Sandra.Porter@cms.hhs.gov).

Sincerely,

/s/

Ruth A. Hughes  
Associate Regional Administrator  
Division of Medicaid and Children's Health Operations

Enclosures

cc: Ann Berg, DHS  
Sean Barrett, DHS

STATE: MINNESOTA  
Effective: July 1, 2017  
TN: 17-13

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Approved: 3/21/18

Supersedes: 14-01 (13-25,11-02,10-06,09-25,09-20,08-17,07-12,07-08,07-09,07-06,06-19,05-21)

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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 pPayment adjustment for physician practice groups at Hennepin County Medical Center, University of Minnesota 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. 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:**~~

Effective for services delivered on or after July 1, 2009, a payment adjustment for services provided in a calendar year will be made in the second quarter of each calendar year, within two years following the end of the base year. The base year is the calendar year ending two years prior to the year the payment is made. The payment adjustment equals the difference between the average commercial payer rates for the hospital-based services delivered by physicians, and other practitioners described below, 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 during the base year. Effective for services delivered on or after July 1, 2017, an additional payment adjustment shall be made for the hospital-based services delivered by physicians, and other practitioners described below, affiliated with the University of Minnesota Medical Center Fairview.

Total payments shall be calculated each year as follows:

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

1. For physician services delivered at Hennepin County Medical Center by physicians and practitioners practicing with Hennepin Healthcare System, and for services delivered at University of Minnesota Medical Center Fairview by physicians and practitioners practicing with University of Minnesota Physicians, 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.
3. The payment rates for each HCPCS code for each of the commercial payers will be averaged to determine the average commercial payer rate for each HCPCS code.
4. For each of the ~~two~~-physician practice group data sets, the average commercial payer rate is multiplied by the Medicaid frequency for the HCPCS codes for that physician practice group.
5. For each of the ~~two~~-physician practice group data sets, the Medicaid payment amount is subtracted from the result in paragraph 4 for each HCPCS code.
6. The final payment amount for each of the ~~two~~-physician practice groups is equal to the sum of the amounts in paragraph 5.

For purposes of this adjustment, services must be provided by physicians, nurse practitioners, nurse midwives, clinical nurse specialists, physician assistants, or certified registered nurse anesthetists.

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

**Laboratory services** are paid using the same methodology as item 3, Other lab and x-ray services.

With the exception of pediatric vaccines in item 2.a., Outpatient hospital services, covering the Minnesota Vaccines for Children program, **vaccines** are paid using the same methodology as item 2.a., Outpatient hospital services.

**All other injectables** are paid using the same methodology as item 2.a.

**The base rates as described in this item are adjusted by the following clauses of Supplement 2 of this Attachment:**

- A. IHS/638 Facilities
- B. Critical Access Hospitals
- C. TPL
- D. MinnesotaCare Tax Rate Adjustment
- E. Modifiers
- F. Family Planning
- G. Community and Public Health Clinics
- H. Medicare Cap
- I. Exceptions to payment methodology and reconstructing a rate
- J. Copay converted to \$3.00 provider rate reduction
- P. Rate increase effective 07/01/07
- R. Professional services decrease effective July 1, 2009.
- S. Professional services decrease effective July 1, 2010
- T. Rate increase July 1, 2010
- V. Facility and professional services rate increase 2010
- W. Physician and physician assistant rates are adjusted by the professional services rate decrease 2011
- aa. Anesthesia service rates are adjusted by the miscellaneous services and material rate decrease 2011.
- bb. Reimbursement for costs of services provided by a non-state, government-operated community mental health center
- cc. Supplemental payment for medical education.
- ff. Professional services rate increase effective September 1, 2014.

Other provider-preventable conditions are not eligible for payment as described in Attachment 4.19-A.

10. Dental services (continued):

~~**Additional p**ayment adjustment for dental services provided at Hennepin County Medical Center and the University of Minnesota.~~ Effective for services delivered on or after January 1, 2015, at Hennepin County Medical Center, and after July 1, 2017, at the University of Minnesota, an additional adjustment will be made for services provided in a calendar year in the second quarter of each calendar year, within two years following the end of the base year. The base year is the calendar year ending two years prior to the year the payment is made. The adjustment equals the difference between the average commercial payer rates for the dental services delivered by dentists and other dental practitioners affiliated with Hennepin County Medical Center, the University of Minnesota Medical Center Fairview, and the University of Minnesota School of Dentistry, and the rates paid to those dentists and dental practitioners under this section of Attachment 4.19-B during the base year.~~in recognition of the dental services provided by dentists and other dental practitioners, an additional adjustment, in total for the dental practice groups contracted with Hennepin County Medical Center (Hennepin Healthcare System), will be made in the first quarter of each calendar year, within two years following the close of the federal fiscal year. The adjustment equals the difference between the average commercial payer rates for the services delivered at Hennepin County Medical Center by dentists and other dental practitioners affiliated with Hennepin County Medical Center and the rates paid to those providers under this section of Attachment 4.19 B using rates from the most recently complete calendar year available. Total payments shall be based on the data described below and calculated beginning with payments made in January of each year as follows:~~

1. For dental services delivered at Hennepin County Medical Center by dentists dental hygienists, dental therapists, or advanced dental therapists and other dental practitioners practicing with Hennepin Healthcare System, the set of services (by relevant CPT and CDT code) delivered to Medicaid eligible individuals and billed on a fee-for-service basis shall be determined using MMIS data.

For dental services delivered at the University of Minnesota Medical Center Fairview or the University of Minnesota School of Dentistry, by dentists dental hygienists, dental therapists, or advanced dental therapists practicing with University of Minnesota Physicians, the set of services (by relevant CPT and CDT code) delivered to Medicaid eligible individuals and billed on a fee-for-service basis shall be determined using MMIS data.

2. ~~Hennepin County Medical Center~~ The providers will supply, from ~~its~~ their billing systems, the payment rates for their top three commercial payers.
3. The payment rates for each CPT and CDT code for each of the commercial payers will be averaged to determine the average commercial payer rate for each code.
4. The average commercial payer rate is then multiplied by the Medicaid frequency for each code.
5. The Medicaid payment amount is subtracted from the result in paragraph 4 for each code.
6. The final payment amount is equal to the sum of the amounts in paragraph 5.

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24.a. Transportation.

**Additional payment adjustment for emergency transportation providers at ~~Hennepin County Medical Center and the City of St. Paul~~.** Effective for services delivered on or after July 1, 2013, emergency transportation providers affiliated with Hennepin County Medical Center and the City of St. Paul will receive an additional adjustment for services provided in a calendar year in the ~~first~~ second quarter of each calendar year, within two years following the end of the base year ~~close of the provider's rate year~~. The base year is the calendar year ending two years prior to the year the payment is made. The adjustment equals the difference between average commercial payer rates for the emergency transportation services delivered by providers affiliated with Hennepin County Medical Center and the City of St. Paul and the rates paid to those providers under this section of Attachment 4.19-B during the base year. ~~using rates from the most recently complete calendar year available~~. Effective for services provided on or after July 1, 2017, the adjustment shall be made for services provided by any non-state, government-owned ambulance provider, not owned by a tribe, who requests the adjustment. Total payments shall be ~~based on the data described below and calculated beginning with payments made in January of each year as follows:~~

- 1) For emergency transportation services delivered by eligible providers ~~associated with Hennepin County Medical Center and the City of St. Paul~~, 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.
- 2) ~~Hennepin County Medical Center and the City of St. Paul will supply~~ Eligible providers will supply, from their respective billing systems, the payment rates for their top five commercial payers along with the relative percentage of commercial ambulance charges that each payer represents. Only commercial payers with at least two percent of the provider's total commercial ambulance charges for the relevant HCPCS codes will be included in the calculation of the average commercial rate.
- 3) The payment rates for each HCPCS code for each of the commercial payers will be averaged to determine the average commercial payer rate for each HCPCS code.
- 4) For each of the ~~two~~ emergency transportation provider data sets, the average commercial payer rate is multiplied by the Medicaid frequency for the HCPCS codes for that group.
- 5) For each of the ~~two~~ emergency transportation provider data sets, the Medicaid payment amount is subtracted from the result in paragraph 4 for each HCPCS code.
- 6) The final payment amount for the ~~two~~ emergency transportation providers is equal to the sum of the amounts in paragraph 5.