



**Medical Services**  
(701) 328-2321  
Toll Free 1-800-755-2604  
Fax (701) 328-1544  
ND Relay TTY 1-800-366-6888  
Provider Relations (701) 328-4030

Jack Dairymple, Governor  
Carol K. Olson, Executive Director

**MEMORANDUM**

**Mailed**  
**JAN 13 2012**

*MLA*

Date: January 12, 2012

To: Tribal Chairman, Tribal Health Care Directors, Executive Director of the Indian Affairs Commission, Indian Health Services Representatives, and the Executive Director of the Great Plains Tribal Chairmen's Health Board

From: Maggie D. Anderson, Director, Medical Services Division *M.D. Anderson*

Re: Tribal Consultation on North Dakota Medicaid State Plan Amendments

This letter is regarding the Tribal Consultation between the North Dakota Department of Human Services (Department) and the North Dakota Indian Tribes and Indian Health Services (IHS). This consultation process was established to ensure Tribal governments are included in the decision making processes when changes in the Medicaid or Children's Health Insurance Program(s) will affect items such as cost sharing, IHS Encounter rates or service reductions and additions. The Department engages Tribal consultation when a State Plan Amendment, waiver proposal or amendment, or demonstration project proposal directly impacts the North Dakota Tribes and/or their Tribal members, or Indian Health Services.

Effective March 1, 2012, North Dakota Medicaid will be implementing payment adjustments for hospital acquired conditions (HAC) and prospective payment system (IPPS) hospitals will be required to submit claims with the present on admission indicator. When a hospital acquired condition is not present on admission, but is reported as a diagnosis associated with the hospitalization, the Medicaid payment under the IPPS to the hospital may be reduced to reflect that the condition was hospital acquired.

Effective March 1, 2012, North Dakota Medicaid will be denying payment for provider preventable conditions in any health care setting. Claims that contain one of the provider preventable conditions will be denied.

A copy of the draft State Plan Amendments are enclosed.

If you have any comments, questions or concerns about the REVISED proposed State Plan Amendment, please contact me by **February 15, 2012** at [manderson@nd.gov](mailto:manderson@nd.gov) or by mailing a written response to 600 East Boulevard Avenue, Department 325, Bismarck, ND 58505 or by calling 701-328-1603.

The Department appreciates the continuing opportunity to work collaboratively with you to achieve the Department's mission, which is: "To provide quality, efficient, and effective human services, which improve the lives of people."

MDA/mlt

Enclosures

# DRAFT

State: North Dakota

Attachment 4.19-A  
Page 10

## Citation

42 CFR 447,  
434, 438; and  
1902(a)(4),  
1902(a)(6),  
and 1903

## Payment Adjustment for Provider Preventable Conditions

The Medicaid agency meets the requirements of 42 CFR Part 447, Subpart A, and sections 1902(a)(4), 1902(a)(6), and 1903 with respect to non-payment for provider-preventable conditions.

## Health Care-Acquired Conditions

The State identifies the following Health Care-Acquired Conditions for non-payment:

Hospital-Acquired Conditions as identified by Medicare other than Deep Vein Thrombosis (DVT)/Pulmonary Embolism (PE) following total knee replacement or hip replacement surgery in pediatric and obstetric patients.

Prospective Payment (PPS) Hospitals-For claims with dates of service on or after March 1, 2012, when a health care-acquired condition occurs during hospitalization and the condition was not present on admission, claims shall be paid as though the diagnosis is not present.

Hospitals excluded from prospective payment system-For claims with dates of service on or after March 1, 2012, when a health care-acquired condition occurs during hospitalization and the condition was not present on admission, payment on claims shall be decreased by a percentage reduction. The percentage reduction is calculated as the covered charges for the health care-acquired conditions divided by the total charges.

## Other Provider-Preventable Conditions

The State identifies the following Other Provider-Preventable Conditions for non-payment:

Wrong surgical or other invasive procedure performed on a patient; surgical or other invasive procedure performed on the wrong body part; surgical or other invasive procedure performed on the wrong patient.

North Dakota Medicaid will adopt the baseline for other provider preventable conditions as identified by Medicare. The following reimbursement changes will apply:

Payment will be denied for these conditions in any health care setting and any other settings where these events may occur such as operating room, clinic, physician's office, etc. For any

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TN No. 12-005  
Supersedes  
TN No. NEW

Approval Date \_\_\_\_\_

Effective Date 03-01-2012  
CMS ID: 7982E

# DRAFT

State: North Dakota

Attachment 4.19-A

Page 11

**Citation**

**Payment Adjustment for Provider Preventable Conditions (cont.)**

42 CFR 447,  
434, 438; and  
1902(a)(4),  
1902(a)(6),  
and 1903

The Medicaid agency meets the requirements of 42 CFR Part 447, Subpart A, and sections 1902(a)(4), 1902(a)(6), and 1903 with respect to non-payment for provider-preventable conditions.

**Health Care-Acquired Conditions (continued)**

North Dakota Medicaid claim with dates of service on or after March 1, 2012, that contains one of these diagnosis codes, these claims will be denied and will not be reimbursed. Reimbursement for PPS hospitals regarding other provider preventable conditions is identified on page 10, of Attachment 4.19A.

No reduction in payment will be made for a provider preventable condition when the condition existed prior to the initiation of treatment by that provider.

Reduction in payment will be made for a provider preventable condition when the condition existed prior to the initiation of treatment by that provider.

Reduction in provider payment may be limited to the extent that the following apply:

1. The identified provider-preventable condition would otherwise result in an increase in payment; and
2. The portion of the payment directly related to treatment for, and related to, the provider-preventable condition can be reasonably isolated.

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Supersedes  
TN No. NEW

Approval Date \_\_\_\_\_

Effective Date 03-01-2012

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# DRAFT

State: North Dakota

Attachment 4.19-B

Page 9

## Citation

## Payment Adjustment for Provider Preventable Conditions

42 CFR 447,  
434, 438; and  
1902(a)(4),  
1902(a)(6),  
and 1903

The Medicaid agency meets the requirements of 42 CFR Part 447, Subpart A, and sections 1902(a)(4), 1902(a)(6), and 1903 with respect to non-payment for provider-preventable conditions.

## Other Provider-Preventable Conditions

The State identifies the following Other Provider-Preventable Conditions for non-payment:

  X   Wrong surgical or other invasive procedure performed on a patient; surgical or other invasive procedure performed on the wrong body part; surgical or other invasive procedure performed on the wrong patient.

North Dakota Medicaid will adopt the baseline for other provider preventable conditions as identified by Medicare. The following reimbursement changes will apply:

Payment will be denied for these conditions in any health care setting and any other settings where these events may occur such as operating room, clinic, physician's office, etc. For any North Dakota Medicaid claim with dates of service on or after March 1, 2012, that contains one of these diagnosis codes, these claims will be denied and will not be reimbursed. Reimbursement for PPS hospitals regarding other provider preventable conditions is identified on page 10, of Attachment 4.19A.

No reduction in payment will be made for a provider preventable condition when the condition existed prior to the initiation of treatment by that provider.

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