

Public Notice
North Dakota Medicaid Program
November 23, 2009

The Department of Human Services is amending its Medicaid State Plan regarding the Estimated Acquisition Cost (EAC) calculation for pharmacy services. Currently, EAC equals the lesser of Average Wholesale Price (AWP) minus 10% or Wholesale Acquisition Cost (WAC) plus 12.5% as determined by First Data Bank. WAC+12.5% was added to the calculation to be equivalent to the longstanding AWP-10% portion of the calculation. Due to First Data Bank changing their calculation of AWP from WAC+25% to WAC+20%, the Department will change the WAC portion of the EAC calculation to WAC+8% to negate effect of the First Databank change on that portion of the EAC calculation so the AWP and WAC portions remain equivalent. The effective date of the State Plan change is January 1, 2010. The estimated impact for this change is zero dollars.

The Medicaid State Plan regarding Nursing Facility Rate Setting is being amended to provide an exception to the 90% occupancy limitation for geropsychiatric units and for non-geriatric facilities that serve individuals with physical disabilities; to provide a six percent increase to the limits for nursing facility rates; to provide a six percent inflationary cost increase; to incorporate increases for bad debt and education expenses; and to exclude late charges and non-covered bed-hold days as an offset to costs for nursing facilities. The effective date of the changes is January 1, 2010. The estimated cost for these changes is \$12.7 million for 12 months, of which approximately \$4.7 million will be state general funds.

The Medicaid State Plan is also being amended to provide a six percent inflationary cost increase for all Nursing Facility Services. This increase is effective January 1, 2011. The estimated cost for this increase is \$11.9 million for 12-months, of which approximately \$4.4 million will be state general funds.

The Medicaid State Plan regarding the methods for reimbursing Inpatient Hospital Services is being amended to increase the Disproportionate Share Hospital calculation for Critical Access Hospitals to four-percent plus four-tenths of a percent for each qualifying percentage that a Critical Access Hospital's Medicaid utilization exceeds one standard deviation. This change is effective January 1, 2010. The estimated cost for this change is \$373,000 for 12 months, of which approximately \$138,000 will be state general funds.

The method used to set rates and reimburse Infant Development services will change January 1, 2010. Infant Development services will now be reimbursed based on set fees for four different activities. The activities are: home visits with caregivers, trans-disciplinary consultation, plan development and revisions, and completion of evaluations or assessments. Previously, Infant Development services were reimbursed based on a daily rate based on 5 days a week 12 months a year. There is no estimated cost for the changes, as the changes will be budget neutral.

Copies of the state plan amendments or other supporting information can be requested of the Medical Services Division, Room 309, North Dakota Department of Human Services, 600 E Boulevard Ave, Dept 325, Bismarck, ND 58505-0250 or toll-free at 1-800-755-2604. Comments can be sent to and viewed at the same address. Questions may be directed to the North Dakota Medicaid Program at 1-800-755-2604 or can be sent through the local county social service offices.