



Public Notice

Public comment sought on Budget Allotment Savings Plan Impact on Medicaid Provider Rates and Payments.

(Written comments accepted through March 4, 2016.)

North Dakota State Law (Century Code Section 54-44.1-12) contains a provision for a budget allotment, should State revenue projections fall short of anticipated expenditures for the biennium. On Monday, February 1, 2016, the Office of Management Budget (OMB) released the revised revenue forecast. As a result of the revised revenue forecast, State agencies must reduce general fund expenditures. In order to comply with State Law, and the Constitution, the amount of the necessary savings is 4.05 %. For the Department of Human Services this equates to a \$53.95 million allotment. The budget changes must be made quickly as the allotment applies to expenditures for the 2015-2017 biennium. The Department's allotment plan includes the following items, that impact payments to Medicaid providers:

- The July 1, 2016 Provider Inflation will not be granted
 - State Plan Services and 1915 c Waivers
- HCBS rates for homemaker services will be adjusted
- The July 1, 2015 Rate Increase for Ambulance Services will end
- The July 1, 2015 Rate Increase for PT, OT and Speech Therapy will end
- July 1, 2016 Changes to Basic Care (Reference: 2013 HB 1359)
 - Will not implement section 1, Subsection 3 of 2015 HB 1359; and, as noted in the legislation, will end the provision of subsections 4 and 5, as adequate appropriations are not available.
- January 1, 2017 Inflationary Increases (Nursing Facilities and PRTF) will not be granted
- January 1, 2017 Rate changes to Nursing Facilities (Rebasing, Operating Margin, and Incentive will not be included in the rates)
- January 1, 2017 Rate changes for Basic Care Providers (Operating Margin from July 1, 2016 will be adjusted out of the rates)
- Medicaid professional fee schedule will be adjusted to align with Medicare (impacts physicians and other providers/practitioners)
- Pharmacy Outpatient Rate Changes
 - On January 21, 2016 CMS issued a final rule requiring changes in how states reimburse Medicaid pharmacy costs. The deadline to implement is April 1, 2017; however the Department plans to implement this provision earlier to realize additional savings.
- Additional Medicaid Autism Waiver Slots will not be filled.
 - The additional slots added to increase the age limit of the Medicaid autism waiver **WILL BE** able to be filled.
- Consistent with how other Medicaid programs operate a Medicaid Managed Care plan, the Fee Schedule used by Sanford Health Plan for Medicaid Expansion will be adjusted to be closer aligned to Medicaid. This transition will begin January 1, 2017.

(Continued)

The Department is seeking input on the following:

Section 1902(a)(30) of the Act requires that "payments are consistent with efficiency, economy, and quality of care and are sufficient to enlist enough providers so that care and services are available under the plan at least to the extent that such care and services are available to the general population in the geographic area."

1. Will the reduction in rates allow the state to comply with requirements of 1902(a)(30)? **Please explain.**

2. Upon implementation of the rate adjustments, will Medicaid provider payments be sufficient to enlist enough providers to assure access to care and services in Medicaid at least to the extent that care and services are available to the general population in the geographic area? **Please explain.**

3. Based on your provider practice area, upon implementation of the rate adjustments, how will North Dakota Medicaid rates compare to commercial reimbursement rates, to Medicare rates, to surrounding state Medicaid rates, or to national averages for Medicaid for your provider practice area.

4. How do you propose the state monitor the impact of the rate adjustments? **Please provide** specific input about the measures that could be used, how the measures should be developed, and data sources available. Also, if you believe there should be a specific benchmark for each measure which would trigger state action to remedy an identified access concern, please provide.

Input is welcome today, in-person at the Medicaid Medical Advisory Committee. Input will also be accepted, in writing through **March 4, 2016.**

Written comments can be directed to:

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