



Medical Services
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Jack Dalrymple, Governor
Maggie D. Anderson, Executive Director

September 18, 2015

Mr. Scott Davis
ND Indian Affairs Commission
600 E Boulevard Avenue
Bismarck ND 58505

Dear Mr. Davis:

This letter is regarding the Tribal Consultation between the North Dakota Department of Human Services and the North Dakota Indian Tribes. The consultation process was established to ensure Tribal governments are included in the decision making processes when proposed changes in the Medicaid or Children's Health Insurance Program(s) will directly impact the North Dakota Tribes and/or their Tribal members.

The Department is expecting the following changes to be submitted to the Medicaid State Plan before December 31, 2015, to be effective on or after October 1, 2015 in conjunction with the implementation of the North Dakota Health Enterprise Medicaid Management Information System (MMIS):

In accordance with 2013 House Bill 1201, Physician Assistants will be added as a provider type that can be selected by Medicaid enrollees to serve as a **Primary Care Provider (PCP)** and will be paid the \$2 per member per month PCP payment. Rural Health Clinics, Indian Health Services, and Federally Qualified Health Centers are currently able to be selected as a PCP and will receive the \$2 per member per month PCP payment.

In-state prospective payment system (PPS) hospitals will be reimbursed using all patient refined diagnosis related groups (APR-DRG) version 31.

Out of State Lab Services provided in a hospital setting will be paid off of the Medicaid Fee Schedule. Currently, these services are paid cost to charge.

Inpatient services provided to individuals who are incarcerated and otherwise eligible for Medicaid (Traditional Medicaid and Medicaid Expansion) will be claimed for Medicaid reimbursement. The Department intends to submit a State Plan Amendment to exempt individuals eligible for this coverage from the seventy-five dollar copayment for inpatient hospital stays.

In-state prospective payment system (PPS) hospitals will be reimbursed for **outpatient hospital services** using ambulatory payment classifications.

Services performed in an **ambulatory surgical center** will be reimbursed based on the full/half/half payment methodology.

National Correct Coding Initiative (NCCI) editing will be implemented on **outpatient** claims. NCCI edits include procedure to procedure (PTP) and medically unlikely edits (MUE). Claims reimbursed based on the HCPCS/CPT code billed will be subject to these edits.

Dental coverage pages in the State Plan will be updated to current code and coverage language.

Starting October 1, 2015 the ICD-9 code sets used to report medical diagnoses and inpatient procedures **will be replaced by ICD-10 code sets**. ICD-10 will affect diagnosis and inpatient procedure coding for services covered by the Health Insurance Portability Accountability Act (HIPAA). The change to ICD-10 does not affect CPT coding for outpatient procedures and physician services.

North Dakota Medicaid will be awarding **a contract to a different optometric provider**. Glasses and frames will be provided by the new contractor on or after October 1, 2015. The contractor will be reimbursed as the current contractor is: the lesser of billed charges or the state Medicaid fee schedule.

Covered drugs on a professional claim form (CMS-1500) will be reimbursed the lower of the Medicaid fee schedule or the National Drug Code (NDC) price. This change will not impact claims submitted and paid at the Indian Health Services encounter rate.

Third Party Liability references within the state plan will be updated to coincide with MMIS implementation and will remove mention of ICD-9 codes, which are can no longer be used for dates of service October 1, 2015 and after. There is no estimated cost impact as a result of this change.

Anesthesia – will be reimbursed on a per 15-minute unit, to include a rounding methodology. Example: Every 15 minutes =1 unit; if the time is 1-7 minutes over the 15 minute mark, it will be rounded down, if the time is 8-14 minutes over the 15 minute mark, it will be rounded up. (46 minutes would equal 3 units; 55 minutes would equal 4 units.)

Cost Sharing – The Department will be submitting a State Plan Amendment to **clarify cost sharing exemptions** and to **clarify the definition of “physician office visits”** in relation to cost-sharing copayments applied to specific services. The set of procedure codes used to define a “physician office visit” is the same set of procedure codes used for services performed by all physician and other providers if the service is allowable and within the provider’s scope of practice. Therefore, the application of cost-sharing copayments is

applicable to the set of procedure codes defining “office visits” for all providers who deliver that service. These providers include: physicians, nurse practitioners, physician assistants, nurse mid-wives, clinical nurse specialists, behavioral health providers, optometrists, and opticians. Medicaid eligible individuals exempt from cost sharing include individuals: in a nursing facility, intermediate care facility for individuals with intellectual disabilities, or any medical institution and is required to spend all income for their cost of care except personal needs allowance; who are receiving swing-bed services in a hospital; individuals who have not reached the age of twenty-one years; who are pregnant; who are an Indian who is eligible to receive, is currently receiving or who has ever received an item or service furnished by Indian health service providers or through referral under contract health services; who are terminally ill and is receiving hospice care; who are receiving Medicaid because of the state’s election to extend coverage to eligible individuals receiving treatment for breast or cervical cancer.

The Department is expecting the following changes to the Medicaid State Plan, to be effective on or after January 1, 2016:

Licensed Marriage and Family Therapists will be able to enroll as Medicaid providers and bill for covered services provided to Medicaid recipients. (Reference 2015 Senate Bill 2046)

Community Paramedics will be able to enroll as Medicaid providers and bill for covered services provided to Medicaid recipients. (Reference 2015 Senate Bill 2043)

As a result of 2015 Senate Bill 2320, ND Medicaid will be implementing a Medication Therapy Management (MTM) program. Eligible Medicaid recipients will be identified by ND Medicaid. Participation is elective and individuals will be able to work with their pharmacy to receive MTM services. Pharmacies will be required to track MTM services and outcomes, and will be reimbursed for MTM services provided.

Effective January 1, 2016, North Dakota Medicaid will be increasing the minimum monthly needs allowance from \$2,267 per month to \$2,550 per month. The minimum monthly needs allowance was enacted by Congress years ago to prevent spousal impoverishment of the community spouse when the other spouse needs institutional care.

Effective January 1, 2016, North Dakota Medicaid will be providing a three percent inflationary increase for all Nursing Facility services.

Effective January 1, 2016, North Dakota Medicaid will be providing a three percent inflationary increase for all Psychiatric Residential Treatment Facility services.

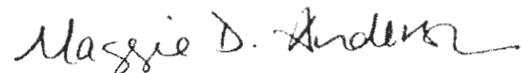
On or after **October 1, 2015**, the Department plans to submit updates to state plans for Targeted Case Management for the following targeted groups: Individuals with a Serious Mental Illness, Individuals with a Serious Emotional Disturbance, Children in the Child Welfare System (Alternative Care and Children in Protective Services). Fee schedule changes are not anticipated with these updates.

Effective on or after **November 1, 2015**, the Department plans to revert to “an assessment state” from its current status as “a determination state”. As an “assessment” state, the Federal Exchange will make an assessment of Medicaid or Children’s Health Insurance Program eligibility. A final eligibility determination will then be made by the State/County.

Please send comments, questions or concerns about the proposed State Plan Amendments or waivers to my attention at 600 East Boulevard Avenue, Department 325, Bismarck, ND 58505. You may also send information via e-mail to me at manderson@nd.gov

The Department appreciates the continued 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.”

Sincerely,

A handwritten signature in cursive script that reads "Maggie D. Anderson".

Maggie D. Anderson
Executive Director