Rate Setting Perspective/Background:

- Generally, Medicaid rates are a percentage of Medicare rates, and should be sufficient to "promote efficiency, economy and quality of care" from providers in delivering services to beneficiaries.
- Medicare rates are intended to cover the full cost of a reasonably efficient provider.
- Commercial insurance rates are generally at least typically 2x that of Medicare at a facility level, and about 1.5x for physician services, though this relationship for other provider types does not necessarily hold true.
- There are over 13,000 codes (billing descriptions) active under Medicaid to accommodate allowable billing methods.

Rate Setting Approach for a Targeted Rate Increase:

Step 1: Benchmark rate to Medicare, and/or to Medicaid Allowable Cost

Step 2: Compare to regional state rates

Step 3: Assess access issues to providers

Step 4: Provider type's percentage of revenue from Medicaid and uncompensated care

Step 5: Financial statuses of the provider type

Step 6: Workforce shortage issues

DIVISION OF MEDICAID SERVICES – Medicaid targeted rate change approach

Billing Code Rates by Category

Current Procedural Terminology/Healthcare Common Procedure Coding System Code Categories	Average % of Medicare Rate
Surgery Codes	47%
Medicine Services and Procedures Codes	51%
Temporary Procedures & Professional Services	55%
Radiology Procedures	57%
Pathology and Laboratory Procedures	63%
Durable Medical Equipment	74%
Temporary Codes for Durable Medical Equipment Regional Carriers	46%
Coronavirus Testing Codes	75%
Miscellaneous Services (Temporary Codes)	81%
Transportation Services Including Ambulance, Medical & Surgical Supplies	188%

Utilization from Jan - Sept 2020

Rate information from 01/01/2021

DIVISION OF MEDICAID SERVICES – Medicaid targeted rate change approach

Cost Based Rates- Federal Upper Payment Limits

Upper Payment Limit Demonstration for Allowable Federal Match	Provider Class	Base Rate % of Allowable Cost	% NH Medicaid Utilization
Ambulatory Surgical Center (Clinic)	Private	37%	
Hospital Inpatient	Critical Access Hospitals	27%	
Hospital Inpatient	PPS	28%	
Hospital Inpatient	State Owned Providers	100%	
Hospital Outpatient	Critical Access Hospitals	98%	
Hospital Outpatient	PPS	55%	
Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICFs/IID)	Private	94%	82.0%
Nursing Facility Services	County Providers	48%	79.3%
Nursing Facility Services	Private	72%	61.3%
Nursing Facility Services	State Owned Providers	89%	99.0%

Information from Final State Fiscal Year 2022 UPL Demonstration Submitted to CMS

Durable Medical Equipment 2022 UPL demonstration was over the limit by 8K

DIVISION OF MEDICAID SERVICES – Medicaid targeted rate change approach

Home Health Summary

Private Duty Nursing Rates for Home Health providers

RN - Registered Nursing Rates

	Medicaid Rate	Local State Comparison						Commercial Payer Comparison		Median Nursing Facility RN Rates
	NH	MA*	ME	VT	CT	RI	Average	Median	Mean 80%	Contracted
Standard	$55.27	$64.84	$57.68	$39.80	$98.53	$54.20	$63.01	$123.13	$126.13	$67.09
Night/Weekend	$61.65	$68.88				$55.70	$62.29			
Holiday		$76.32					$76.32			
Inuram	$58.00									
Bureau of Labor Statistics Mean Hourly Rates	$37.63	$46.46	$35.40	$36.13	$42.56	$40.99			Median NF Wage	$38.28
Shift Differential	$6.38	$4.04				$1.50				

LPN- Licensed Practical Nurse

	Medicaid Rate	Local State Comparison						Commercial Payer Comparison		Median Nursing Facility LPN Rates
	NH	MA*	ME	VT	CT	RI	Average	Median	Mean 80%	Contract
Standard	$51.02	$53.48	$40.92	$33.80	$96.35	$43.88	$53.69	$94.75	$107.10	$54.18
Night/Weekend	$59.53	$56.84				$45.38	$51.11			
Holiday		$74.40					$74.40			
Inuram	$56.00									
Bureau of Labor Statistics Mean Hourly Rates	$28.43	$29.72	$24.42	$26.05	$28.58	$28.75			Median NF Wage	$32.08
Shift Differential	$8.51	$3.36				$1.50				

Notes:

*Massachusetts has varied rates for 1:1, 2:1, 3:1, and Overtime

Massachusetts rates have a temporary 10% rate increase (not included in data)

NH was advised by agency the rates are going to become permanent.

RI has acuity adjustment of .25 per 15 mins

CT- does not have private duty nursing services in state plan

DIVISION OF MEDICAID SERVICES – Medicaid targeted rate change approach

Ambulance: Procedure Code w/Description	Rates as of 1/1/2021	% of Medicare of 1/1/2021	**7/1/2022 50%**	**2020** Claim Units (Medical & OutPt)	*Medicare Base Rate	CT Rate	MA Rate	ME Rate	RI Rate	VT Rate	**Rate @ % of Medicare w/ proj fiscal impact**
A0425 - GROUND MILEAGE, PER STATUTE MILE	$2.76	34%	$4.01	1,027,126	$8.02	$5.88	$3.51	$8.06	$0.56	$6.09	$3,765,301
A0427 - AMBULANCE SERVICE, ADVANCED LIFE SUPPORT, EMERGENCY TRANSPORT, LEVEL 1 (ALS1-EMERGENCY)	$186.02	38%	$243.02	8,991	$486.03	$349.03	$299.97	$441.79	$69.95	$358.20	$2,181,507
A0429 - AMBULANCE SERVICE, BASIC LIFE SUPPORT, EMERGENCY TRANSPORT (BLS-EMERGENCY)	$154.13	38%	$204.65	8,595	$409.29	$293.90	$252.61	$373.03	$69.95	$301.64	$1,755,687
A0432 - AMBULANCE SERVICE, CONVENTIONAL AIR SERVICES, TRANSPORT, ONE WAY (FIXED WING)	Manual	Manual		6	$447.66	$143.08					
A0433 - ADVANCED LIFE SUPPORT, LEVEL 2 (ALS 2)	$186.02	26%	$351.73	123	$703.46		$434.17	$639.43		$518.45	$43,230
A0434 - SPECIALTY CARE TRANSPORT (SCT)	$186.02	22%	$415.68	324	$831.36		$513.11	$755.69		$612.71	$134,608
											$7,880,333

Rates not Found

*Urban Rates used for Medicare Rates

Proj FI are only Medical and Outpatient claims, excluding crossover claims (4% to 8% of total)

G3 - General Manual Review Fee Schedule/Manually Priced

NEW HAMPSHIRE DHHS DEPARTMENT OF HEALTH & HUMAN SERVICES

DIVISION OF MEDICAID SERVICES – Medicaid targeted rate change approach

Hospice Rates:

Revenue Codes	Description	Daily Rate	Wage Component Subject to Index	Index for Rockingham & Strafford County	Unweighted Amount	Rate based on 10/1/2022 CMS Calc.	10/1/2022 Reimbursed Rate based on 1/1/2021 increase
651	Routine Home Care (days 1 to 60)	$211.61	$139.67	0.9933	$71.94	$215.70	$216.25
651	Routine Home Care (days 61+)	$167.22	$110.36	0.9933	$56.86	$166.48	$170.92
652	Continuous Home Care - Hourly Rate	$63.44	$47.71	0.9933	$15.73	$63.12	$64.72
652	Continuous Home Care - 24 Hours	$1,522.63	$1,145.02	0.9933	$377.61	$1,514.96	$1,553.23
655	Inpatient Respite Care	$518.00	$315.98	0.9933	$202.02	$515.88	$523.93
656	General Inpatient Care	$1,110.76	$705.33	0.9933	$405.43	$1,106.03	$1,131.91

Due to the 3.1% rate increases, the Hospice rates are above the Medicare rates

DIVISION OF MEDICAID SERVICES – Medicaid targeted rate change approach

Table 2 New Hampshire Department of Health and Human Services Total Medicaid Program Spending State Fiscal Year 2022					
	MCM Population		FFS Population		
Service Category	**Standard**	**GAHCP**	**Standard**	**GAHCP**	**Total**
Hospital Inpatient	$74,498,870	$46,133,480	$4,273,683	$5,823,101	$130,729,135
Hospital Outpatient	96,522,904	106,133,577	8,285,830	2,329,838	213,272,149
Nursing Facility	206,899,436	2,417,807	16,271,526	106,230	225,694,999
Professional Services	311,629,942	151,277,204	26,018,373	2,556,268	491,481,788
Waiver Services	495,965,935	13,006,069	9,086,022	150,594	518,208,621
DME	16,719,585	5,881,061	622,655	15,658	23,238,959
Pharmacy	141,274,815	147,391,669	545,265	152,329	289,364,078
Total	**$1,343,511,487**	**$472,240,868**	**$65,103,354**	**$11,134,020**	**$1,891,989,729**

DIVISION OF MEDICAID SERVICES – Medicaid targeted rate change approach

Table 1 New Hampshire Department of Health and Human Services Total Medicaid Program Spending Calendar Year 2019					
	MCM Population		FFS Population		
Service Category	**Standard**	**GAHCP**	**Standard**	**GAHCP**	**Total**
Hospital Inpatient	$63,235,486	$37,955,187	$6,494,724	$7,435,865	$115,121,262
Hospital Outpatient	86,463,432	65,096,469	9,729,082	3,007,775	164,296,757
Nursing Facility	193,320,291	1,772,609	25,736,868	98,953	220,928,721
Professional Services	291,829,331	101,583,129	24,497,819	5,140,725	423,051,005
Waiver Services	398,808,944	6,157,160	11,733,867	200,701	416,900,673
DME	16,025,098	3,284,807	759,342	44,596	20,113,844
Pharmacy	120,924,262	83,891,324	899,996	595,523	206,311,106
Total	**$1,170,606,844**	**$299,740,685**	**$79,851,698**	**$16,524,139**	**$1,566,723,367**