

Joe Lombardo
Governor



Richard Whitley, MS
Director

DEPARTMENT OF HEALTH AND HUMAN SERVICES

DIVISION OF HEALTH CARE FINANCING AND POLICY

Helping people. It's who we are and what we do.



Stacie Weeks, JD
MPH
Administrator

January 31, 2024

Inter-Tribal Council of Nevada
Serrell Smokey, ITCN President
Tribal Chairman of Washoe Tribe
919 Highway 395 South
Gardnerville, Nevada 89410

Dear Tribal Members:

In accordance with established consultation guidelines, the Division of Health Care Financing and Policy (DHCFP) is notifying Nevada tribes of the following proposed change in policy effective January 1, 2024:

Reimbursement Rates for Rural Emergency Hospitals:

The Division is proposing an amendment to the outpatient hospital reimbursement methodology beginning on page 1 of State Plan Attachment 4.19-B to establish a reimbursement methodology for Rural Emergency Hospitals. Effective January 1, 2023, a final rule was enacted by the Centers for Medicare and Medicaid Services (CMS) establishing rural emergency hospitals as a new Medicare provider type. Per the rule, rural emergency hospitals (REHs) are authorized to provide emergency department services, observation care, and additional outpatient medical and health services so long as the annual per patient length of stay does not exceed 24 hours. During the 2023 Legislative Session, Assembly Bill (AB) 277 was passed and signed into law. AB 277 allowed rural emergency hospitals to become licensed in Nevada. Additionally, AB 277 also directed the Division of Health Care Financing and Policy to implement a State Plan Amendment to "provide increased rates of reimbursement under the State Plan for rural emergency hospital services provided by a rural emergency hospital." The Division intends to reimburse rural emergency hospitals services at an amount equal to a 5 percent increase over the existing reimbursement rates for outpatient hospital services (provider type 12).

The change to State Plan Attachment 4.19-B is expected to increase annual aggregate expenditures as follows:

SFY 2024: \$1,852 (total computable)

SFY 2025: \$10,852 (total computable)

Reimbursement Rates for Outpatient Hospital Services Provided by a Public Critical Access Hospital:

The Division is proposing an amendment to the outpatient hospital reimbursement methodology beginning on page 1 of State Plan Attachment 4.19-B to amend reimbursement rates paid to public critical access hospitals for outpatient services. During the 2023 Nevada Legislative Session, Senate Bill (SB) 241 was passed and signed into law. Under the terms of the bill, the Division of Health Care Financing and Policy must submit a State Plan Amendment to alter the reimbursement methodologies that specify how payments are made to critical access hospitals (CAHs). Specifically, the Division must reimburse CAHs at a rate equal to cost for outpatient services rendered by public CAHs. The Division will utilize the most recently available audited cost report to determine the cost-to-charge ratio for each facility, which will then be inflated forwards using the Medicare Economic Index (MEI) to inflate costs to current. For the subsequent two years, MEI will be applied annually with a rebase occurring every third year. There will be no cost settlement.

The change to State Plan Attachment 4.19-B is expected to increase annual aggregate expenditures as follows:

SFY 2024: \$784,494 (total computable)

SFY 2025: \$1,817,345 (total computable)

If you would like a consultation regarding this proposed change in policy, please contact Monica Schiffer at (775) 684-3653 or mschiffer@dhcp.nv.gov who will schedule a meeting. We would appreciate a reply within 30 days from the date of this letter. If we do not hear from you within this time, we will consider this an indication that no consultation is requested.

Sincerely,

Casey Angres

Casey Angres (Jan 30, 2024 16:36 PST)

Casey Angres

Division Compliance Chief, DHCFP

cc: Cynthia Leech, Compliance Agency Manager, DHCFP
Malinda Southard, D.C., CPM, Deputy Administrator, DHCFP
Thomas Fletcher, MA III, Rate Analysis and Development, DHCFP
Kim Adams, ASO III, Fiscal Services, DHCFP
Monica Schiffer, Tribal & Community Liaison, Community & Provider Engagement Unit, DHCFP