

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: NEVADA

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PAYMENT FOR INPATIENT HOSPITAL SERVICES  
ASSURANCES AND RELATED INFORMATION

A. State Assurances and Findings. The State assures that it has made the following findings:

1. 447.253(b)(1)(i) - The State pays for inpatient hospital services through the use of rates that are reasonable and adequate to meet the costs that must be incurred by efficiently and economically operated providers to provide services in conformity with applicable State and Federal laws, regulations, and quality and safety standards.
2. With respect to inpatient hospital services
  - a. 447.253(b)(1)(ii)(B) - The methods and standards used to determine payment rates take into account the situation of hospitals which serve a disproportionate number of low income patients with special needs.
  - b. 447.253(b)(1)(ii)(B) - The State elects in its State Plan to cover inappropriate level of care services (that is, services furnished to hospital inpatients who require a lower covered level of care such as skilled nursing services or intermediate care services) under conditions similar to those described in section 1861 (v)(1)(G) of the Act. The methods and standards used to determine payment rates specify that the payments for this type of care must be made at rates lower than those for inpatient hospital level of care services, reflecting the level of care actually received, in a manner consistent with section 1861(v)(1)(G) of the Act.
  - c. 447.253(b)(1)(ii)(C) - The payment rates are adequate to assure that recipients have reasonable access, taking into account geographic location and reasonable travel time, to inpatient hospital services of adequate quality.
3. 447.253(b)(2) - The proposed rate will not exceed the upper payment limits as specified in 42 CFR 447.272:
  - a. 447.272(a) - Aggregate payments made to hospitals for inpatient services when considered separately, will not exceed the amount that can reasonably be estimated would have been paid for under Medicare Payment principles.
  - b. 447.272(b) - Aggregate payments to State-operated hospitals for inpatient services when considered separately will not exceed the amount that can reasonably be estimated would have been paid for under Medicare payment principles.

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- c. 447.272(c) B Aggregate disproportionate share hospital (DSH) payments do not exceed the DSH payment limits at 42 CFR 447.296 through 447.299.
- d. OBRA 93 B DSH payments to each hospital, including those owned or operated by the state or an instrumentality or unit of government within the state, beginning in SFY 1996, are limited to 100% of uncompensated costs.

B. State Assurances. The State makes the following additional assurances:

- 1. For hospitals --
  - a. 447.253(c) - In determining payment when there has been a sale or transfer of the assets of a hospital, the State's methods and standards provide that payment rates can reasonably be expected not to increase in the aggregate solely as a result of changes of ownership, more than payments would increase under Medicare under 42 CFR 413.130, 414.134, 413.153 and 413.157 insofar as these sections affect payment for depreciation, interest on capital indebtedness, return on equity (if applicable), acquisition costs for which payments were previously made to prior owners, and the recapture of depreciation.
- 2. 447.253(e) - The State provides for an appeals or exception procedure that allows individual providers an opportunity to submit additional evidence and receive prompt administrative review, with respect to such issues as the State determines appropriate, of payment rates.
- 3. 447.253(f) - The State requires the filing of uniform cost reports by each participating provider.
- 4. 447.253(g) - The State provides for periodic audits of the financial and statistical records of participating providers.
- 5. 447.253(h) The State has complied with the public notice requirements of 42 CFR 447.205. Notice published on N/A (Amendment not significant).
- 6. 447.253(i) - The State pays for inpatient hospital services using rates determined in accordance with the methods and standards specified in the approved state plan.

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C. Related Information

1. a. 447.255(a) - Inpatient hospital:

Estimated average proposed payment rate as a result of this amendment: \$1,067

Estimated payment rate in effect for the immediately preceding rate period:  
\$1,067

Amount of change: 0 Percent of change: 0%

- b. 447.255(a) - DSH:

Estimated proposed payment per Medicaid day as a result of this amendment:  
\$576.02

Estimated payment per Medicaid day for the immediately preceding rate period:  
\$576.02

Amount of change: 0 Percent of change: 0%

Nevada's aggregate DSH payment for this year and the immediately preceding year is \$73,560,000. The DSH program this year is based on uncompensated costs for the majority of the hospitals, and not on Medicaid utilization. The amendment to the DSH methodology will have no effect on the payment per day.

2. 447.255(b) - The estimated short term and long term effect of the change in the estimated average rate on:

- a. The availability of services on a statewide and geographic area basis: NONE

- b. The type of care furnished: NONE

- c. The extent of provider participation: NONE

- d. The degree to which costs are covered in hospitals that serve a disproportionate number of low income patients with special needs.

The change in the disproportionate share program will restrict payment to those hospitals that specialize in providing mental health services to low income patients. Since payments to such specialized hospitals was minimal there is no indication that this change will limit provider participation, type of care provided or availability of services. In aggregate, none of the remaining hospitals will receive less and some will receive more as a result of the proposed change.