

## **Supplemental Payments – Non-Hospital and Hospital**

**Posted:** [October 4, 2019](#)

### **Supplemental Payments – Non-Hospital**

Payments made to statutorily eligible providers are computed on an annual basis and paid in one lump sum for each calendar year. The payment supplements the amount the provider has already received for providing services on a fee-for-service basis to Medical Assistance (MA) enrollees.

### **Eligible Providers**

Eligible service providers must meet the following criteria:

- Is enrolled as a MA fee-for-service provider
- Is owned and operated by a governmental entity
- Is not owned or operated by a Tribal government
- Has voluntarily chosen to participate in the supplemental payment program

Supplemental payments are limited to services provided by the following:

- Ambulance service providers
- Dentists
- Dental hygienists
- Dental therapists
- Physicians
- Nurse practitioners
- Nurse midwives
- Clinical nurse specialists
- Physician assistants
- Anesthesiologists
- Certified registered nurse anesthetists
- Mental health clinics

### **Supplemental Payment Amount**

#### **Supplemental Payment Limits**

Payments are limited by the provider's costs or the difference between the Average Commercial Rate (ACR) and the Medicaid payments already made.

### **Claims Set**

The claims used in determining a supplemental payment are claims for dates of service within the most recent closed claims year that is not greater than the payment year. For Minnesota Department of Human Services (DHS), the most recent closed claims year is generally two years prior to the payment year.

### **Service Location Restrictions**

For ambulances, the supplemental payments are limited to services provided by the ambulance provider. For all other supplemental payments, claims are limited to service locations specific to the provider, which are mental health clinics, hospitals and Medicare certified provider-based clinics.

Under general claim and coding rules, a blank service location address is an indication that the service was provided at the same address as the billing provider. For the purposes of the supplemental payments, DHS requires each claim to have both the service facility address and the billing address provided on the claim. The service location facility address is used to confirm that services were provided at an eligible provider service location. DHS will not include claims where the facility address or billing address is blank when calculating a supplemental payment.

### **Supplemental Payments – Hospital**

Payments made to statutorily eligible providers are computed on a calendar-year basis and paid in one lump sum for the year. The payments supplement the amount the provider has already received for providing services on a fee-for-service basis to MA enrollees.

### **Eligible Providers**

Eligible service providers must meet the following criteria:

- Is enrolled as a Medical Assistance fee-for-service provider
- Is owned or operated by a governmental entity
- Is not owned or operated by a Tribal government
- Has voluntarily chosen to participate in the supplemental payment program

### **Supplemental Payment**

#### **Supplemental Payment Limits**

The supplemental payment may not exceed the difference between the total costs of providing fee-for-service Medicaid services incurred by the non-state government-owned (NSGO) group of hospitals (the upper payment limit), and the total Medicaid payments to those same hospitals for those same services. DHS has imposed an additional limit for inpatient hospital services. The amount of the inpatient hospital supplemental payment may not exceed the lower of the upper payment limit amount or the hospital's facility-specific Disproportionate Share Hospital (DSH) limit.

### **Claims Set**

For outpatient supplemental payments, the claims used are claims for dates of service within the most recent closed claims year that is not greater than the payment year. For DHS, that is generally claims that fall within the calendar year that is two years before the payment year. For inpatient supplemental payments, DHS uses claims data for services provided in the calendar year that matches the payment year. The inpatient supplemental payment is not paid until the DSH Audit for the payment year has been completed. This is generally three years after the payment year.

### **Legal References**

[Minnesota Statutes 256B.196](#) Intergovernmental Transfers; Hospital and Physician Payments

[Minnesota Statutes 256B.197](#) Intergovernmental Transfers; Inpatient Hospital Payments