



IDAHO DEPARTMENT OF  
**HEALTH & WELFARE**

C.L. "BUTCH" OTTER – Governor  
RICHARD M. ARMSTRONG -- Director

PAUL J LEARY - Administrator  
DIVISION OF MEDICAID  
Post Office Box 83720  
Boise, Idaho 83720-0009  
PHONE: (208) 334-5747  
FAX: (208) 364-1811

March 8, 2013

Carol J.C. Peverly  
Regional Administrator  
Division of Medicaid and Children's Health Operations  
M/S RSX-43  
2201 Sixth Avenue  
Seattle, WA 98121

Dear Ms. Peverly:

The State of Idaho is submitting a State Plan Amendment, Transmittal #13-004, to give us authority to pay the primary care physician incentive payment required by 42 CFR §447.205.

Beginning January 1, 2013 primary care physician codes for all specialists and subspecialists recognized by the American Board of Medical Specialties within the three specialty designations of family medicine, general medicine, and pediatric medicine will be paid additional funds quarterly so that Medicaid reimbursement equals 100% of the calculated 2013 Medicare rate.

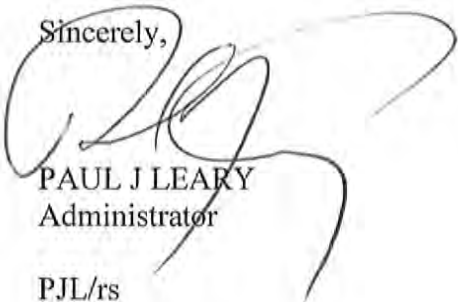
Please add the following enclosed pages in your copy of the Idaho State Medicaid Plan:

- Attachment 4.19-B page 12a, 12b and 12c

Tribal notification letters were presented for this SPA. Please see attached Tribal Representative Letters. The letters were mailed, e-mailed and posted to the Medicaid-Tribes SharePoint (website).

Idaho appreciates your review of these changes, and anticipates your approval of this amendment. Please direct any questions regarding this SPA to Robert Kellerman, Office of Reimbursement, Division of Medicaid at (208) 364-1994, or by e-mail at [KellermR@dhw.idaho.gov](mailto:KellermR@dhw.idaho.gov).

Sincerely,



PAUL J LEARY  
Administrator

PJL/rs

Enc.

**TRANSMITTAL AND NOTICE OF APPROVAL OF  
STATE PLAN MATERIAL**

1. TRANSMITTAL NUMBER:

**13-004**

2. STATE

**IDAHO**

**FOR: HEALTH CARE FINANCING ADMINISTRATION**

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE  
SOCIAL SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR  
HEALTH CARE FINANCING ADMINISTRATION  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

**January 1, 2013**

5. TYPE OF PLAN MATERIAL (*Check One*):

NEW STATE PLAN

AMENDMENT TO BE CONSIDERED AS NEW PLAN

**AMENDMENT**

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (*Separate Transmittal for each amendment*)

6. FEDERAL STATUTE/REGULATION CITATION:  
1905(a)(6), 1905(a)(12) and 2110(a)(24) of the Social Security Act

7. FEDERAL BUDGET IMPACT:

**Total (\$) Federal Funds**  
**FFY 2013 \$14,200,000**  
**FFY 2014 \$19,000,000**

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

**Attachment 4.19-B, pages 12a, 12b, and 12c (new pages)**

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION  
OR ATTACHMENT (*If Applicable*):

10. SUBJECT OF AMENDMENT:

These changes will allow Idaho Medicaid to pay quarterly incentive payments to a specific group of primary care physician providers.

11. GOVERNOR'S REVIEW (*Check One*):

GOVERNOR'S OFFICE REPORTED NO COMMENT

OTHER, AS SPECIFIED:

COMMENTS OF GOVERNOR'S OFFICE ENCLOSED

NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:

Paul J. Leary

14. TITLE:

Administrator

15. DATE SUBMITTED:

**3/8/13**

16. RETURN TO:

Paul J. Leary, Administrator  
Idaho Department of Health and Welfare  
Division of Medicaid  
PO Box 83720  
Boise ID 83720-0036

**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED:

18. DATE APPROVED:

**PLAN APPROVED - ONE COPY ATTACHED**

19. EFFECTIVE DATE OF APPROVED MATERIAL:

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME:

22. TITLE:

23. REMARKS:

**Physician Services**

**Increased Primary Care Service Payment 42 CFR 447.405, 447.410, 447.415**

**Attachment 4.19-B: Physician Services 42 CFR 447.405 Amount of Minimum Payment**

The state reimburses for services provided by physicians meeting the requirements of 42 CFR 447.400(a) at the Medicare Part B fee schedule rate using the Medicare physician fee schedule rate in effect in calendar years 2013 and 2014 or, if greater, the payment rates that would be applicable in those years using the calendar year 2009 Medicare physician fee schedule conversion factor. If there is no applicable rate established by Medicare, the state uses the rate specified in a fee schedule established and announced by CMS.

- x The rates reflect all Medicare site of service and locality adjustments.
- The rates do not reflect site of service adjustments, but reimburse at the Medicare rate applicable to the office setting.
- The rates reflect all Medicare geographic/locality adjustments.
- The rates are statewide and reflect the mean value over all counties for each of the specified evaluation and management and vaccine billing codes.

The following formula was used to determine the mean rate over all counties for each code: N/A since there is only one Medicare locality for the State of Idaho

**Method of Payment**

- The state has adjusted its fee schedule to make payment at the higher rate for each E&M and vaccine administration code.
- x The state reimburses a supplemental amount equal to the difference between the Medicaid rate in effect on July 1, 2009 and the minimum payment required at 42 CFR 447.405.

Supplemental payment is made:  monthly x quarterly

**Primary Care Services Affected by this Payment Methodology**

- This payment applies to all Evaluation and Management (E&M) billing codes 99201 through 99499.
- x The State did not make payment as of July 1, 2009 for the following codes and will not make payment for those codes under this SPA (specify codes).

99406 and 99407

**(Primary Care Services Affected by this Payment Methodology – continued)**

x The state will make payment under this SPA for the following codes which have been added to the fee schedule since July 1, 2009 (specify code and date added).

99224 1/1/11, 99225 1/1/11, 99226 1/1/11, 99368 7/1/11, 99460 1/1/11, 99461 1/1/11,  
99495 1/1/13

**Physician Services – Vaccine Administration**

For calendar years (CYs) 2013 and 2014, the state reimburses vaccine administration services furnished by physicians meeting the requirements of 42 CFR 447.400(a) at the lesser of the state regional maximum administration fee set by the Vaccines for Children (VFC) program or the Medicare rate in effect in CYs 2013 and 2014 or, if higher, the rate using the CY 2009 conversion factor.

x Medicare Physician Fee Schedule rate

State regional maximum administration fee set by the Vaccines for Children program

Rate using the CY 2009 conversion factor

**Documentation of Vaccine Administration Rates in Effect 7/1/09**

The state uses one of the following methodologies to impute the payment rate in effect at 7/1/09 for code 90460, which was introduced in 2011 as a successor billing code for billing codes 90465 and 90471.

x The imputed rate in effect at 7/1/09 for code 90460 equals the rate in effect at 7/1/09 for billing codes 90465 and 90471 times their respective claims volume for a 12 month period which encompasses July 1, 2009. Using this methodology, the imputed rate in effect for code 90460 at 7/1/09 is: \$15.73.

A single rate was in effect on 7/1/09 for all vaccine administration services, regardless of billing code. This 2009 rate is: \_\_\_\_\_.

Alternative methodology to calculate the vaccine administration rate in effect 7/1/09: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Effective Date of Payment**

E & M Services

This reimbursement methodology applies to services delivered on and after January 1, 2013, ending on December 31, 2014 but not prior to December 31, 2014. All rates are published at [www.healthandwelfare.idaho.gov](http://www.healthandwelfare.idaho.gov).

Vaccine Administration

This reimbursement methodology applies to services delivered on and after January 1, 2013, ending on December 31, 2014 but not prior to December 31, 2014. All rates are published at [www.healthandwelfare.idaho.gov](http://www.healthandwelfare.idaho.gov).