June 18, 2019

Notice: Important information regarding upcoming changes to North Dakota Medicaid Expansion payments

The 2019 North Dakota Legislature voted to reauthorize the Medicaid Expansion program for the 2019-2021 biennium. We applaud the legislature for keeping the allocated funding for the program at current levels and leveraging the federal match dollars. This will ensure 20,000 North Dakotans continue to have access to healthcare through local community providers such as yourself, using a sustainable payment methodology.

Senate Bill 2012 directs the Medicaid Expansion managed care organization to make the following changes:

- Reimburse providers within the same provider type and specialty at consistent levels and with consistent methodology.
- Incentive, quality, or supplemental payments to providers can only be made if it is part of a value-based program offered to all eligible providers and approved by the Department of Human Services.
- The Managed Care Organization (MCO) may consider urban and rural providers as different provider types.
- Critical access hospitals may not be paid less than one hundred percent of Medicare allowable costs.
- To read the entire bill language, see Section 17, subdv. 3, 4, and 5 of the enrolled bill [here](#).

How will this impact you?
Since Medicaid Expansion’s inception in 2014, Sanford Health Plan has used its own contracts with providers to set reimbursement rates. As required by SB 2012 this means moving away from our existing contracted rates for Medicaid Expansion, toward a uniform payment system.

To comply with the legislative intent of the law, which is to bring greater uniformity and transparency to the Medicaid Expansion Program's provider payment rates, Medicaid Expansion funds will be redistributed in a budget-neutral manner. The final impact will mean some providers will be paid more, and some providers will be paid less. Sanford Health Plan is working with North Dakota Department of Human Services to develop provider payment rates and methodologies that meet the legislative intent of SB 2012.

Your current provider agreements require compliance with all applicable statutes, rules, regulations and standards of any and all government authorities and regulatory bodies. We will notify you as soon as reasonably possible of your new payment rates once the new uniform payment methodology and effective date is finalized.

Please take a moment to consider the important value that Medicaid Expansion has brought to the communities and patients you serve. We thank you in advance for your continued participation and cooperation as we make this transition to comply with this new law.