

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
7500 Security Boulevard, Mail Stop S3-14-28  
Baltimore, Maryland 21244-1850



**Center for Medicaid, CHIP, and Survey & Certification**

---

Ronald J. Levy, Director  
Department of Social Services  
Broadway State Office Building  
PO Box 1527  
Jefferson City, Missouri 65102

**AUG 26 2011**

RE: MO 10-012:

Dear Mr. Levy:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 10-012. Effective August 3, 2010, this amendment modifies the inpatient hospital rate setting methodology and the Disproportionate Share Hospital (DSH) payment methodology. These changes are intended to ensure the State's compliance with the DSH Auditing and Reporting final rule that became effective on January 19, 2009. Uncompensated care levels will be expanded through the non-application of trend factors to base period costs used in setting current inpatient hospital payment rates. Provisions are also being added to allow for interim reconciliation, recoupment and redistribution of DSH payments based on a provider submitted survey, and to calculate interim DSH payments for the next state plan rate year based on the survey. A recoupment and redistribution process for any DSH overpayments identified during the DSH audit is also being added. Clarification is also being added to describe how payment rates for new facilities and facilities reentering the Medicaid program will be calculated.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30), 1903(a), 1923, and 1932(b)(2)(C) of the Social Security Act and the implementing Federal regulations at 42 CFR 447 Subpart C. This letter informs you that Medicaid State plan amendment 10-012 is approved effective August 3, 2010. We are enclosing the HCFA-179 and the amended plan pages.

If you have any questions, please call Tim Weidler at (816) 426-6429.

Sincerely,

A handwritten signature in black ink that reads "Cindy Mann". The signature is written in a cursive, flowing style.

Cindy Mann  
Director, CMCS