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State/Territory Name: Mississippi

State Plan Amendment (SPA) #: 14-009

This file contains the following documents in the order listed:

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-26-12
Baltimore, Maryland 21244-1850

September 12, 2014

David J. Dzielak
PH.D. Executive
Director
Mississippi Division of Medicaid
Walter Sillers Building
550 High Street, Suite 1000
Jackson, Mississippi 39201

Re: Mississippi State Plan Amendment 14-009

Dear Dr. Dzielak:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 14-009. Effective for inpatient services July 1, 2014, this amendment transitions from a manual method of identifying and adjusting claims subject to inpatient hospital Health Care Acquired Conditions to the implementation of the 3M All Patient Refined Grouper (APR-DRG) HCAC utility.

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), and 1923 of the Social Security Act and the implementing Federal regulations at 42 CFR 447 Subpart C. We have found that the proposed reimbursement methodology complies with applicable requirements and therefore have approved them with an effective date of July 1, 2014. We are enclosing the CMS-179 and the amended approved plan pages.

If you have any questions, please call Anna Dubois at (850) 878-0916.

Sincerely,

//s//

Cindy Mann
Director

DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS FOR MEDICARE AND MEDICAID SERVICES

FORM APPROVED
OMB NO. 0938-0193

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL **FOR: CENTERS FOR MEDICARE AND MEDICAID SERVICES**	1. TRANSMITTAL NUMBER: **14-009**	2. STATE **MS**
	3. PROGRAM IDENTIFICATION: **TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)**	
TO: **REGIONAL ADMINISTRATOR** **CENTERS FOR MEDICARE AND MEDICAID SERVICES** **DEPARTMENT OF HEALTH AND HUMAN SERVICES**	4. PROPOSED EFFECTIVE DATE **07/01/2014**	

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: 42 CFR 447.201; 447.26	7. FEDERAL BUDGET IMPACT: FY 2014: $9,401 FY 2015: $37,875
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-A, Pages 55 and 57	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT *(If Applicable)*: Attachment 4.19-A, Pages 55 and 57

10. SUBJECT OF AMENDMENT:

SPA 14-009 Inpatient Healthcare Acquired Conditions (HCAC) is being submitted to allow the Division of Medicaid (DOM) to transition from a manual method of identifying and adjusting claims subject to inpatient hospital Health Care Acquired Conditions (HCAC) to the implementation of the 3M All Patient Refined-Diagnosis Related Group (APR-DRG) HCAC utility, effective July 1, 2014.

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

☒ GOVERNOR'S OFFICE REPORTED NO COMMENT
☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL
☐ OTHER, AS SPECIFIED:

12. SIGNATURE OF STATE AGENCY OFFICIAL: //s//	16. RETURN TO: **David J. Dzielak** **Miss. Division of Medicaid** **Attn: Kristi Plotner** **550 High Street, Suite 1000** **Jackson, MS 39201-1399**
13. TYPED NAME: **David J. Dzielak**	
14. TITLE: **Executive Director**	
15. DATE SUBMITTED: 07/10/2014	

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED: 07/10/14	18. DATE APPROVED: 09/12/14
PLAN APPROVED – ONE COPY ATTACHED	
19. EFFECTIVE DATE OF APPROVED MATERIAL: 07/01/14	20. SIGNATURE OF REGIONAL OFFICIAL: //s//
21. TYPED NAME: Cindy Mann	22. TITLE: Director

23. REMARKS:

the initiation of treatment for that patient by that provider.

Reductions in provider payment may be limited to the extent that the following apply:

1. The identified provider-preventable conditions would otherwise result in an increase in payment.
2. The State can reasonably isolate for nonpayment the portion of the payment directly related to treatment for, and related to, the provider-preventable conditions.

Non-payment of provider-preventable conditions shall not prevent access to services for Medicaid beneficiaries.

The following method will be used to determine the related reduction in payments for hospital inpatient Health Care-Acquired Conditions and Other Provider Preventable Conditions which includes Never Events as defined by the National Coverage Determination for dates of service beginning on or after October 1, 2012, through June 30, 2014:

Once per quarter, paid claims identified in the Mississippi Medicaid Management Information System (MMIS) with a POA indicator of "N" or "U", will be run through a Medicare DRG Grouper, once without the appropriate POA indicator with the application of the Medicare list of Health Care-Acquired Conditions and Other Provider-Preventable Conditions, and once with the appropriate POA indicator with the application of the Medicare list of Health Care-Acquired Conditions and Other

Calculation of the Provider-Preventable Conditions (PPC) Reduction in Payment for Hospital Inpatient Services

The following example reflects the calculation and application of the reduction in hospital inpatient payments for Provider-Preventable Conditions (PPC) including Health Care-Acquired Conditions (HCAC) and Other Provider Preventable Conditions (OPPC).

PPC Payment Reduction Calculation for Dates of Service beginning on or after October 1, 2012, through June 30, 2014 – Once quarterly a report will be run by the Division of Medicaid to identify those paid claims with a Present on Admission (POA) indicator of "N" or "U" with Health Care-Acquired Conditions and Other Provider Preventable Conditions. The payment reduction will be based on the Medicare DRG grouper for claims with dates of service on or after October 1, 2012, through June 30, 2014, as calculated below.

Col. A	Col. B	Col. C	Col. D	Col. E	Col. F	Col. G
Provider Number	TCN number	Dates of Service	Original XIX APR-DRG Allowed Amount per MMIS before PPC reduction	Medicare grouper payments for HCAC/OPPC w/o POA*	Medicare grouper payments for HCAC/OPPC with POA*	Reduction in XIX Payments for PPCs (Col. E – Col. F)
0022XXX1	XXXXXXXXXXXXXXXX	10/01/12 – 10/14/12	$8,144.63	$11,500	$12,800	($1,300)
00020XX9	XXXXXXXXXXXXXXXX	10/10/12 – 10/14/12	$6,374.68	$5,720	$5,720	($0)
00020XX5	XXXXXXXXXXXXXXXX	11/09/12 – 11/14/12	$5,695.10	$6,000	$6,540	($540)
0022XXX4	XXXXXXXXXXXXXXXX	11/15/12 – 11/24/12	$13,326.66	$10,898	$11,280	($382)
00020XX4	XXXXXXXXXXXXXXXX	12/03/12 – 12/08/12	$6,790.60	$8,350	$8,350	($0)
	Total		$40,331.67	$44,690	$42,468	($2,222)

*Please note that the Medicare grouper payment amounts are for illustrative purposes only and do not reflect actual grouper amounts.

The original paid claims indicated above would be voided and reprocessed and manually re-priced to reflect the reduction in Column G. For instance, the first claim that originally paid $8,144.63 would be voided and manually re-priced to pay $6,844.63 ($8144.63 - $1,300.00). The payment reduction of $1,300.00 would be recovered from the provider on their remittance advice.

PPC Payment Reductions for Dates of Service ending on or after July 1, 2014 – Effective for hospital inpatient dates of service ending on or after July 1, 2014, payment reductions for HCACs and Other Provider Preventable Conditions will be made through the claims payment system through the use of the 3M APR-DRG HCAC utility under the All Patient Refined Diagnosis Related Group payment methodology.