

## **Table of Contents**

**State/Territory Name: Mississippi**

**State Plan Amendment (SPA) #: 14-013**

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
Atlanta Regional Office  
61 Forsyth Street, Suite 4T20  
Atlanta, Georgia 30303



**DIVISION OF MEDICAID & CHILDREN'S HEALTH OPERATIONS**

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August 12, 2014

Dr. David J. Dzielak  
Executive Director  
Mississippi Division of Medicaid  
550 High Street, Suite 1000  
Jackson, Mississippi 39201-1399

RE: Title XIX State Plan Amendment, MS 14-013

Dear Dr. Dzielak:

We have reviewed the proposed Mississippi State Plan Amendment 14-013, which was submitted to the Atlanta Regional Office on July 10, 2014. The SPA is submitted to update Outpatient Prospective Payment System (OPPS). The updates will allow the Division of Medicaid to revise the payment computation of the Mississippi Medicaid calculated fee for the observation code G0378 using the Ambulatory Payment Classification (APC) 8009 instead of the average of APC 8002 and APD 8003 effective July 1, 2014. The Centers for Medicare & Medicaid Services (CMS) Federal Register final rule of OPPS discontinued the used of the Extended Assessment and Management (EAM) Composite APCs 8002 and 9003 (Attachment 4.19-B, Page 2a.3).

Based on the information provided, the Medicaid State Plan Amendment MS 14-013 was approved on August 12, 2014. The effective date of this amendment is July 1, 2014. We are enclosing the approved HCFA-179 and the plan page.

If you have any additional questions or need further assistance, please contact Sheila Brady at (601) 965-4056 or [Sheila.Brady@cms.hhs.gov](mailto:Sheila.Brady@cms.hhs.gov).

Sincerely,

//s//

Jackie Glaze  
Associate Regional Administrator  
Division of Medicaid & Children's Health Operations

Enclosures

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

1. TRANSMITTAL NUMBER:  
**14-013**

2. STATE  
**MS**

**FOR: CENTERS FOR MEDICARE AND MEDICAID SERVICES**

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 § 44.201, 447.203.

7. FEDERAL BUDGET IMPACT:  
FY 2014: (\$155,598.69)  
  
FY 2015: (\$625,632.41)

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19-B Page 2a.3

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION  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

Attachment 4.19-B Page 2a.3

10. SUBJECT OF AMENDMENT:

SPA 14-013 Outpatient Prospective Payment System (OPPS) Updates is being submitted to revise the payment computation of the Mississippi Medicaid calculated fee for the observation code G0378 using the Ambulatory Payment Classification (APC) 8009 instead of the average of APC 8002 and APC 8003 effective July 1, 2014. The Centers for Medicare and Medicaid Services (CMS) Federal Register final rule for OPPS discontinued the use of the Extended Assessment and Management (EAM) Composite APCs 8002 and 8003.

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:

/s/

13. TYPED NAME: **David J. Dzielak**

14. TITLE: **Executive Director**

15. DATE SUBMITTED: 07/10/2014

16. RETURN TO:

**David J. Dzielak  
Miss. Division of Medicaid  
Attn: Kristi Plotner  
550 High Street, Suite 1000  
Jackson, MS 39201-1399**

**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED: 07-10-14

18. DATE APPROVED: 08-12-14

**PLAN APPROVED – ONE COPY ATTACHED**

19. EFFECTIVE DATE OF APPROVED MATERIAL:  
07-01-14

20. SIGNATURE OF REGIONAL OFFICIAL:  
//s//

21. TYPED NAME: Jackie Glaze

22. TITLE: Associate Regional Administrator  
Division of Medicaid & Children Health Opns

23. REMARKS:

State of Mississippi

Methods and Standards for Establishing Payment Rates – Other Types of Care

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OPPS fee schedule rates are the same for both governmental and private providers of hospital outpatient services. The MS Medicaid OPPS fee schedule is set and updated each year as of July 1 and is effective for services provided on or after that date.

- c. Subject to documentation of medical necessity, in addition to any Medicaid covered service received during observation in an outpatient hospital setting, DOM will pay an hourly fee for each hour of observation exceeding seven (7) hours, up to a maximum of twenty-three (23) hours (i.e., the maximum payment will be sixteen (16) hours times the hourly fee). The hourly fee for observation is calculated based on the relative weight for APC 8009 multiplied by the current Jackson, MS Medicare conversion factor divided by twenty-three (23) maximum billable hours. Documentation requirements for medical necessity regarding observation services can be found in the MS Administrative Code Title 23 Medicaid, Part 202 Hospital Services, Chapter 2 Outpatient Hospital, Rule 2.4: Outpatient (23-Hour) Observation Services as of April 1, 2012, located at [www.medicaid.ms.gov/providers/administrative-code/](http://www.medicaid.ms.gov/providers/administrative-code/). The MS Medicaid OPPS fee schedule is set and updated each year as of July 1 and is effective for services provided on or after that date. All fees are published on the agency's website at <http://www.medicaid.ms.gov/FeeScheduleLists.aspx>
  - d. The total claim allowed amount will be the lower of the provider's allowed billed charges or the calculated Medicaid OPPS allowed amount.
  - e. Medicare has set guidelines for procedures it has determined should be performed in an inpatient setting only. The DOM follows Medicare guidelines for procedures defined as "inpatient only".
2. Outpatient Payment Methodology Paid Under Medicaid OPPS
- Except in cases where the service is non-covered by DOM, outpatient services will be