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State/Territory Name: Mississippi

State Plan Amendment (SPA) #:14-0020

This file contains the following documents in the order listed:

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



Financial Management Group

March 6, 2015

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 14-0020

Dear Dr. Dzielak:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 14-0020. Effective for inpatient services October 1, 2014, this amendment proposes to update the inpatient hospital payment methodology. Specifically, this amendment proposes to (1) update the cost reporting periods used to calculate uninsured costs; (2) update the inpatient payment data used to calculate UPL distributions; and (3) modify the UPL distribution methodology to eliminate an additional UPL payment previously paid to free-standing psychiatric hospitals. The overall UPL payment calculations will remain the same, only the distribution to these facilities will change. The state estimates no budget impact.

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 October 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//

Timothy Hill
Director

Enclosures

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL	1. TRANSMITTAL NUMBER: 14-020	2. STATE MS
	3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
FOR: CENTERS FOR MEDICARE AND MEDICAID SERVICES		4. PROPOSED EFFECTIVE DATE 10/01/2014
TO: REGIONAL ADMINISTRATOR CENTERS FOR MEDICARE AND MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES		

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 §§ 447.272, 447.297, 447.298; Miss. Code Ann. § 43-13-145(10).	7. FEDERAL BUDGET IMPACT: FY 2015: \$0.00 FY 2016: \$0.00
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-A Page 7, 64, 68, and 69	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (<i>If Applicable</i>): Attachment 4.19-A Page 7, 64, 68, and 69

10. SUBJECT OF AMENDMENT:

Effective October 1, 2014, the Division of Medicaid will update the existing Medicaid State Plan language regarding Disproportionate Share Hospital (DSH) and Upper Payment Limits (UPL) payments, to comply with Miss. Code Ann. § 43-13-145(10).

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/	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: 12/11/2014	

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED: 12-11-14	18. DATE APPROVED: 03-06-15
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PLAN APPROVED – ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL: 10-01-14	20. SIGNATURE OF REGIONAL OFFICIAL: //s//
21. TYPED NAME: Timothy Hill	22. TITLE: Director

23. REMARKS:

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services by the hospital to residents who either are eligible for medical assistance under this State Plan or have no health insurance (or other source of third party coverage) for services provided during the year less any payments made by Medicaid, other than for disproportionate share payments, and less any payments made by uninsured patients. For purposes of this section, payments made to a hospital for services provided to indigent patients made by a State or a unit of local government within a State shall not be considered to be a source of third party payment.

- B. The payment to each hospital shall be calculated by applying a uniform percentage required to allocate 100% of the MS DSH allotment to all DSH eligible hospitals for the rate year to the uninsured care cost of each eligible hospital, excluding state-owned institutions for treatment of mental diseases; however, that percentage for a state-owned teaching hospital located in Hinds County shall be multiplied by a factor of two (2).
- C. For each state fiscal year from 2015 forward, the state shall use uninsured costs from the hospital data related to the most recently filed and longest cost reporting period ending in the calendar prior to the beginning of the state fiscal year.
- D. The Division of Medicaid shall implement DSH calculation methodologies that result in the maximization of available federal funds.

5-3 Disproportionate Share Payment Period

The determination of a hospital disproportionate share status is made annually and is for the period of the rate year (October 1 – September 30). Once the list of disproportionate

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6-1 UPL Payments – Hospitals With 50 Beds or Less

For each state fiscal year from 2015 forward, privately operated and non-state government operated general acute care hospitals, within the meaning of 42 CFR Section 447.272, that have fifty (50) or fewer licensed beds as of January 1, 2009, shall receive a supplemental inpatient UPL payment equal to sixty-five percent (65%) of their fiscal year 2013 hospital specific inpatient UPL gap, before any payments under this subsection.

6-2 UPL Payments – State Hospitals

For each state fiscal year from 2015 forward, general acute care hospitals licensed within the class of state hospitals shall receive a supplemental inpatient UPL payment equal to twenty-eight percent (28%) of their fiscal year 2013 inpatient payments, excluding DSH and UPL payments.

6-3 UPL Payments – Government Non-State Hospitals

For each state fiscal year from 2015 forward, general acute care hospitals licensed within the class of government non-state hospitals shall receive a supplemental inpatient UPL payment determined by multiplying 2013 inpatient payments, excluding DSH and UPL payments, by the uniform percentage necessary to exhaust the maximum amount of inpatient UPL payments permissible under federal regulations.

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6-4 UPL Payments – Private Hospitals

For each state fiscal year from 2015 forward, in addition to other payments provided above, all hospitals licensed within the class of private hospitals shall receive an additional inpatient UPL payment determined by multiplying 2013 inpatient payments, excluding DSH and UPL payments, by the uniform percentage necessary to exhaust the maximum amount of inpatient UPL payments permissible under federal regulations.

6-5 UPL Payments – State Hospitals Additional Distribution

For each state fiscal year from 2015 forward, in addition to other payments provided above, all hospitals licensed within the class of state hospitals, shall receive an additional inpatient UPL payment determined by multiplying 2013 inpatient payments, excluding DSH and UPL payments, by the uniform percentage necessary to exhaust the maximum amount of inpatient UPL payments permissible under federal regulations.

6-6 UPL Payments – Maximization of Federal Funds

The Division of Medicaid shall implement UPL calculation methodologies that result in the maximization of available federal funds.