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State/Territory Name: Mississippi

State Plan Amendment (SPA) #:15-0005

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

July 24, 2015

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

RE: Title XIX State Plan Amendment, MS 15-0005

Dear Dr. Dzielak:

We have reviewed the proposed Mississippi State Plan Amendment 15-0005, which was submitted to the Atlanta Regional Office on March 12, 2015. The SPA is submitted to provide for supplemental payments for physicians and other professional services practitioners who are employed by a qualifying hospital for services rendered to Medicaid recipients in compliance with the Social Security Act §1902 (a)(30) and §§447.10, 447.204, effective January 1, 2015.

Based on the information provided, the Medicaid State Plan Amendment MS 15-0005 was approved on July 24, 2015. The effective date of this amendment is January 1, 2015. We are enclosing the approved HCFA-179 and the plan pages.

If you have any additional questions or need further assistance, please contact Sheila Brady at (601) 965-4056 email Sheila.Brady@cms.hhs.gov or CaLetha Henry at (404) 562-7506 email CaLetha.Henry@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: 15-005	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 01/01/2015	
5. TYPE OF PLAN MATERIAL <i>(Check One)</i> : <input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" type="checkbox"/> AMENDMENT			
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT <i>(Separate Transmittal for each amendment)</i>			
6. FEDERAL STATUTE/REGULATION CITATION: Social Security Act § 1902(a)(30); 42 CFR §§ 447.10, 447.204		7. FEDERAL BUDGET IMPACT: FFY15: \$14.16 million FFY16: \$17 million	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-B Pages 5a.1-5a.3		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT <i>(If Applicable)</i> : Attachment 4.19-B Pages 5a.1-5a.3	
10. SUBJECT OF AMENDMENT: MS State Plan Amendment (SPA) 15-005 Physician Upper Payment Limit (UPL) is being submitted to provide for supplemental payments for physicians and other professional services practitioners who are employed by a qualifying hospital for services rendered to Medicaid recipients in compliance with the Social Security Act § 1902(a)(30) and 42 CFR §§ 447.10, 447.204, effective January 1, 2015.			
11. GOVERNOR'S REVIEW <i>(Check One)</i> : <input checked="" type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input type="checkbox"/> OTHER, AS SPECIFIED: <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="checkbox"/> 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: Margaret Wilson 550 High Street, Suite 1000 Jackson, MS 39201-1399	
13. TYPED NAME: David J. Dzielak			
14. TITLE: Executive Director			
15. DATE SUBMITTED: 3/11/2015			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED: 03-12-15		18. DATE APPROVED: 07-24-15	
PLAN APPROVED – ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: 01-01-15		20. SIGNATURE OF REGIONAL OFFICIAL: /s/	
21. TYPED NAME:		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**

**Supplemental Payments for Physician and Professional Services Practitioners
at Qualifying Hospitals**

Effective for dates of service on or after January 1, 2015, the Division of Medicaid will make supplemental payments for physicians and other professional services practitioners who are employed by or contracted with a qualifying hospital for services rendered to Medicaid beneficiaries. These supplemental payments will be equal to the difference between the average commercial payment rate and the amount otherwise paid pursuant to the fee schedule for physicians' services under Attachment 4.19-B.

1. Qualifying Criteria

Physicians and other eligible professional service practitioners as specified in 2. below who are employed by a qualifying hospital or who assigned Mississippi Medicaid payments to a qualifying hospital. The term "qualifying hospital" means a Mississippi state-owned academic health science center with a Level 1 trauma center, Level 4 neonatal intensive care nursery, an organ transplant program, and more than a four hundred (400) physician multispecialty practice group. To qualify for the supplemental payment, the physician or professional service practitioner must be:

- a. Licensed by the State of Mississippi, and
- b. Enrolled as a Mississippi Medicaid provider.

2. Qualifying Provider Types

For purposes of qualifying for supplemental payments under this section, services provided by the following professional practitioners will be included:

- a. Physicians,
- b. Physician Assistants,
- c. Nurse Practitioners,
- d. Certified Registered Nurse Anesthetists,
- e. Certified Nurse Midwives,
- f. Clinical Social Workers,
- g. Clinical Psychologists,
- h. Dentists, and
- i. Optometrists.

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**METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES –
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3. Payment Methodology

The supplemental payment will be determined in a manner to bring payments for these services up to the average commercial rate level. The average commercial rate level is defined as the rates paid by commercial payers for the same service. Under this methodology the terms physician and physician services include services provided by all qualifying provider types as set forth in 2. above.

The specific methodology to be used in establishing the supplemental payment for physician services is as follows:

- a. For services provided by physicians at a qualifying hospital, the Division of Medicaid will collect from the hospital its current commercial physician fees by CPT code for the hospital's top five (5) commercial payers by volume.
- b. The Division of Medicaid will calculate the average commercial fee for each CPT code for each physician practice plan or physician that provides services at the qualifying hospital.
- c. The Division of Medicaid will extract from its paid claims history file for the preceding fiscal year all paid claims for those physicians who will qualify for a supplemental payment. The Division of Medicaid will align the average commercial fee for each CPT code as determined in 3.b. above to each Medicaid claim for that physician or physician practice plan and calculate the average commercial payments for the claims.
- d. The Division of Medicaid will also align the same paid Medicaid claims with the Medicare fees for each CPT code for the physician or physician practice plan and calculate the Medicare payment amounts for those claims. The Medicare fees will be the most currently available national non-facility fees.
- e. The Division of Medicaid will then calculate an overall Medicare to commercial conversion factor by dividing the total amount of the average commercial payments for the claims by the total Medicare payments for the claims. The commercial to Medicare ratio will be re-determined every three (3) years.

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**METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES –
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- f. For each quarter the Division of Medicaid will extract paid Medicaid claims for each qualifying provider types for that quarter.
- g. The Division of Medicaid will then calculate the amount Medicare would have paid for those claims by aligning the claims with the Medicare fee schedule by CPT code. The Medicare fees will be the most currently available national non-facility fees.
- h. The total amount that Medicare would have paid for those claims is then multiplied by the Medicare to commercial conversion factor and the amount Medicaid actually paid for those claims is subtracted to establish the supplemental payment amount for the qualifying provider types for that quarter.

The supplemental payments will be made on a quarterly basis and the Medicare equivalent of the average commercial rate of 159.14% factor will be rebased/updated every three (3) years by the Division of Medicaid. Supplemental payments will be directly remitted to the qualifying hospital or the physician practice plan to which participating physicians have assigned the Mississippi Medicaid payment.