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**State/Territory Name: Mississippi**

**State Plan Amendment (SPA) #:15-0012**

This file contains the following documents in the order listed:

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



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**Financial Management Group**

MAR 07 2016

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 15-0012

Dear Dr. Dzielak:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 15-0012. Effective July 8, 2015 this amendment proposes to modify the state's reimbursement methodology. Specifically, this amendment proposes to completely remove the UPL program and all related language in the state plan. The state has transitioned to the Mississippi Hospital Access Program (managed care). The level of funding for UPL payments will be maintained and paid through the managed care program. 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 July 1, 2015. 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//

Kristin Fan  
Director

Enclosures

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b>	1. TRANSMITTAL NUMBER: <b>15-012</b>	2. STATE <b>MS</b>
	3. PROGRAM IDENTIFICATION: <b>TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)</b>	
FOR: CENTERS FOR MEDICARE AND MEDICAID SERVICES		4. PROPOSED EFFECTIVE DATE <b>07/08/2015</b>
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 §§ 433.68, 447.201, 447.203	7. FEDERAL BUDGET IMPACT:  FY 2016: \$0.00 FY 2017: \$0.00
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:  Attachment 4.19-A Pages 7, 67, 68, and 69	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Attachment 4.19-A Pages 7, 67, 68, 69, 70, 71, and 72

10. SUBJECT OF AMENDMENT:

This State Plan Amendment (SPA) is being submitted to allow the Division of Medicaid to make transition payments for inpatient hospital services rendered by in-state hospitals and the out-of-state hospital that is authorized by federal law to submit intergovernmental transfers (IGTs) to the State of Mississippi and is classified as a Level I trauma center located in a county contiguous to the State of Mississippi, subject to the approval by the Centers for Medicare and Medicaid Services (CMS). This proposed SPA also removes the inpatient hospital Upper Payment Limit (UPL) program for inpatient hospital services rendered after July 1, 2015.

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:  <b>David J. Dzielak</b> <b>Miss. Division of Medicaid</b> <b>Attn: Margaret Wilson</b> <b>550 High Street, Suite 1000</b> <b>Jackson, MS 39201-1399</b>
13. TYPED NAME: <b>David J. Dzielak</b>	
14. TITLE: <b>Executive Director</b>	
15. DATE SUBMITTED: September 30, 2015	

**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED: 09/30/15	18. DATE APPROVED: 03/07/16
PLAN APPROVED – ONE COPY ATTACHED	
19. EFFECTIVE DATE OF APPROVED MATERIAL: 07/01/15	20. SIGNATURE OF REGIONAL OFFICIAL: //s//
21. TYPED NAME: Kristin Fan	22. TITLE: Director, FMG

23. REMARKS: Approved with following changes to block # 8 and 10 as authorized by state agency:

Block # 8 changed to read: Attachment 4.19-A pages 7, 67, and 68.

Block #10 changed to read: This State Plan (SPA) is being submitted to allow the Division of Medicaid to remove the inpatient hospital Upper Payment Limit (UPL) program for inpatient hospital services rendered after July 1, 2015.

**State of Mississippi**  
**Title XIX Inpatient Hospital Reimbursement Plan**

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**APPENDIX A**

**APR-DRG KEY PAYMENT VALUES**

The table below reflects key payment values for the APR-DRG payment methodology described in this Plan.

<u>Payment Parameter</u>	<u>Value</u>	<u>Use</u>
APR-DRG version	V.32	Groups every claim to a DRG
DRG base price	\$6,415	Rel. wt. X DRG base price = DRG base payment
Policy adjustor – obstetrics and normal newborns	1.50	Increases relative weight and payment rate
Policy adjustor – neonate	1.45	Increases relative weight and payment rate
Policy adjustor – mental health pediatric	2.00	Increases relative weight and payment rate
Policy adjustor – mental health adult	1.60	Increases relative weight and payment rate
Policy adjustor – Rehabilitation	2.00	Increases relative weight and payment rate
Policy adjustor – Transplant	1.50	Increases relative weight and payment rate
DRG cost outlier threshold	\$50,000	Used in identifying cost outlier stays
DRG marginal cost percentage	50%	Used in calculating cost outlier payment
DRG long stay threshold	19	All stays above 19 days require TAN on days
DRG day outlier statewide amount	\$450	Per diem payment for mental health stays over 19 days
Transfer status - 02 – transfer to hospital	02	Used to identify transfer stays
Transfer status - 05 –transfer other	05	Used to identify transfer stays
Transfer status – 07 – against medical advice	07	Used to identify transfer stays
Transfer status – 63 – transfer to long-term acute care hospital	63	Used to identify transfer stays
Transfer status – 65 – transfer to psychiatric hospital	65	Used to identify transfer stays
Transfer status – 66 – transfer to critical access hospital	66	Used to identify transfer stays
Transfer status – 82 – transfer to hospital with planned readmission	82	Used to identify transfer stays
Transfer status – 85 – transfer to other with planned readmission	85	Used to identify transfer stays
Transfer status – 91 – transfer to long-term hospital with planned readmission	91	Used to identify transfer stays
Transfer status – 93 – transfer to psychiatric hospital with planned readmission	93	Used to identify transfer stays
Transfer status 94 – transfer to critical access hospital with planned readmission	94	Used to identify transfer stays
DRG interim claim threshold	30	Interim claims not accepted if < 31 days
DRG interim claim per diem amount	\$850	Per diem payment for interim claims

TN No. 15-012  
 Supercedes  
 TN No. 15-008

Date Received  
 Date Approved **MAR 07 2016**  
 Date Effective 07/01/2015

State of Mississippi  
 Title XIX Inpatient Hospital Reimbursement Plan

Appendix B  
 Out-of-State Hospital Transplant Services' Case Rates Effective October 1, 2012

**Table 1 - Case Rates for Beneficiaries Not Enrolled in a Coordinated Care Organization (CCO)**

Column	A	B	C	D	E	F	G	H	I	J	K
Transplant	30 Days Pre-Transplant Average Billed Charges	Procurement Average Billed Charges	Hospital Transplant Admission Average Billed Charges	Physician During Transplant Average Billed Charges	180 Days Post Transplant Discharge Average Billed Charges	Total Average Billed Charges* Sum of A through E	Case Rate F X 40%	Difference of F - G	Max Outlier Days	Hospital Length of Stay	Outlier Per-Diem H ÷ I
Single Organ/Tissue											
Bone Marrow Allogeneic	\$41,400	\$38,900	\$419,600	\$22,400	\$259,800	\$782,100	\$312,840	\$469,260	60	33	\$7,821
Bone Marrow Autologous	44,600	18,200	198,200	10,800	84,900	356,700	142,680	214,020	60	20	3,567
Cornea	0	0	16,500	7,900	0	24,400	9,760	14,640	60		244
Heart	47,200	80,400	634,300	67,700	137,800	967,400	386,960	580,440	60	40	9,674
Intestine	55,100	78,500	787,900	104,100	146,600	1,172,200	468,880	703,320	120	70	5,861
Kidney	17,000	67,200	91,200	18,500	50,800	244,700	97,880	146,820	30	7	4,894
Liver	25,400	71,000	316,900	46,600	93,900	553,800	221,520	332,280	60	21	5,538
Lung - Single	10,300	73,100	302,900	33,500	117,700	537,500	215,000	322,500	60	19	5,375
Lung - Double	21,400	90,300	458,500	56,300	142,600	769,100	307,640	461,460	60	30	7,691
Multiple Organ											
Heart-Lung	56,800	130,500	777,700	81,000	169,100	1,215,100	486,040	729,060	120	45	6,076
Intestine with other Organs	57,900	172,700	795,900	116,300	160,900	1,303,700	521,480	782,220	120		6,518
Kidney- Heart	48,800	123,600	813,000	93,900	184,800	1,264,100	505,640	758,460	120	47	6,321
Kidney-Pancreas	20,800	102,500	194,900	34,700	100,400	453,300	181,320	271,980	60	12	4,533
Liver-Kidney	46,800	117,500	574,100	83,100	180,100	1,001,600	400,640	600,960	60	28	10,016
Other Multi-Organ	75,400	131,000	1,050,100	139,500	278,600	1,674,600	669,840	1,004,760	120		8,373

**Table 2 - Case Rates for Beneficiaries Enrolled in a Coordinated Care Organization (CCO)**

Column	A	B	C	D	E	F	G	H	I
Transplant	Procurement Average Billed Charges	Hospital Transplant Admission Average Billed Charges	Physician During Transplant Average Billed Charges	Total Average Billed Charges* Sum of A through C	Case Rate D X 40%	Difference of D - E	Max. Outlier Days	Hospital Length of Stay	Outlier Per-Diem F ÷ G
Single Organ/Tissue									
Bone Marrow Allogeneic	\$38,900	\$419,600	\$22,400	\$480,900	\$192,360	\$288,540	60	33	\$4,809
Bone Marrow Autologous	18,200	198,200	10,800	227,200	90,880	136,320	60	20	2,272
Cornea	0	16,500	7,900	24,400	9,760	14,640	60		244
Heart	80,400	634,300	67,700	782,400	312,960	469,440	60	40	7,824
Intestine	78,500	787,900	104,100	970,500	388,200	582,300	120	70	4,853
Kidney	67,200	91,200	18,500	176,900	70,760	106,140	30	7	3,538
Liver	71,000	316,900	46,600	434,500	173,800	260,700	60	21	4,345
Lung - Single	73,100	302,900	33,500	409,500	163,800	245,700	60	19	4,095
Lung - Double	90,300	458,500	56,300	605,100	242,040	363,060	60	30	6,051
Multiple Organ									
Heart-Lung	130,500	777,700	81,000	989,200	395,680	593,520	120	45	4,946
Intestine with other Organs	172,700	795,900	116,300	1,084,900	433,960	650,940	120		5,425
Kidney- Heart	123,600	813,000	93,900	1,030,500	412,200	618,300	120	47	5,153
Kidney-Pancreas	102,500	194,900	34,700	332,100	132,840	199,260	60	12	3,321
Liver-Kidney	117,500	574,100	83,100	774,700	309,880	464,820	60	28	7,747
Other Multi-Organ	131,000	1,050,100	139,500	1,320,600	528,240	792,360	120		6,603

\* Total reimbursement cannot exceed one-hundred percent (100%) of the sum of billed charges as published by Milliman in columns A-E in Table 1 for beneficiaries not enrolled in a COO or columns A-C in Table 2 for beneficiaries enrolled in a CCO.