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State/Territory Name: Mississippi

State Plan Amendment (SPA) #:16-0017

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

October 27, 2016

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 16-0017

Dear Dr. Dzielak:

We have reviewed the proposed Mississippi State Plan Amendment 16-0017 Outpatient Prospective Payment System (OPPS) Update, which was submitted to the Atlanta Regional Office on September 29, 2016. The SPA was submitted to clarify the Medicare Ambulatory Payment Classification (APC) used to compute the observation code G0378 fee and the Medicare Average Sales Price (ASP) drug pricing file used to compute chemotherapy drug code fees effective July 1, 2016.

Based on the information provided, the Medicaid State Plan Amendment MS 16-0017 was approved on October 27, 2016. The effective date of this amendment is July 1, 2016. We are enclosing the approved HCFA-179 and the plan pages.

If you have any additional questions or need further assistance, please contact CaLetha J. 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: 16-0017	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 07/01/2016	
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: 42 CFR §§ 447.201, 447.203	7. FEDERAL BUDGET IMPACT: FY 2016: \$227,419 FY 2017: \$909,677	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-B Pages 2a.3, 12a.2	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (<i>If Applicable</i>): Attachment 4.19-B Pages 2a.3, 12a.2	
10. SUBJECT OF AMENDMENT: State Plan Amendment (SPA) 16-0017 Outpatient Prospective Payment System (OPPS) Update is being submitted to allow the Division of Medicaid to clarify the Medicare Ambulatory Payment Classification (APC) used to compute the observation code G0378 fee and the Medicare Average Sales Price (ASP) drug pricing file used to compute chemotherapy drug code fees.		
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: 9/29/2016		
FOR REGIONAL OFFICE USE ONLY		
17. DATE RECEIVED: 09/29/16	18. DATE APPROVED: 10/27/16	
PLAN APPROVED – ONE COPY ATTACHED		
19. EFFECTIVE DATE OF APPROVED MATERIAL: 07/01/16	20. SIGNATURE OF REGIONAL OFFICIAL: /s/	
21. TYPED NAME:	22. TITLE: Associate Regional Administrator Division of Medicaid & Children's Health Opns	
23. REMARKS:		

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

Hospital Outpatient Drugs

- a. Drugs paid outside the Outpatient Prospective Payment System (OPPS)/Ambulatory Payment Classification (APC) rate will be reimbursed by a Medicare fee. If there is no Medicare fee the drug will be reimbursed using a MS Medicaid OPPS Chemotherapy fee.
- b. The APC and the Medicare fees on the MS Medicaid OPPS fee schedule will be calculated based on the most recent final Medicare outpatient Addendum B and C published by the Centers for Medicare and Medicaid Services (CMS) as of April 1 of each year. The MS Medicaid OPPS fee schedule is effective July 1 with no retroactive adjustments.
- c. Chemotherapy drugs and concomitant non-chemotherapy drugs administered during the chemotherapy treatment billed on the same claim as the chemotherapy treatment will be paid a MS Medicaid OPPS Chemotherapy fee. The MS Medicaid OPPS Chemotherapy fee will be the amount listed on the most recent final Medicare Average Sales Price (ASP) Drug Pricing File, titled Payment Allowance Limits for Medicare Part B, published by CMS as of April 1 of each year. The ASP files are one-hundred six percent (106%) of the ASP calculated from data submitted by drug manufacturers. The MS Medicaid OPPS Chemotherapy fee is effective July 1 with no retroactive adjustments.
- d. If there is no APC relative weight, Medicare payment rate, MS Medicaid OPPS Chemotherapy fee or ASP for a drug, reimbursement is made at one-hundred percent (100%) of the provider's acquisition cost.
- e. All fees are published on the agency's website at <https://medicaid.ms.gov/providers/fee-schedules-and-rates/#>.

State of Mississippi

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

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). 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 <https://medicaid.ms.gov/providers/administrative-code/>. The hourly fee for observation is calculated based on the relative weight for the Medicare APC which corresponds with an extended assessment and management encounter multiplied by the current Jackson, MS Medicare conversion factor divided by the twenty-three (23) maximum payable hours. 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 <https://medicaid.ms.gov/providers/fee-schedules-and-rates/#>.
- 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. A MS Medicaid OPPS status indicator is assigned to each procedure code determining payment under Medicaid OPPS. The full list of MS Medicaid OPPS status indicators and definitions is found on Attachment 4.19-B, page 2a.6.
- f. Claims with more than one (1) significant procedure, assigned a MS Medicaid OPPS status indicator "T" or "MT", are discounted. The line item with the highest allowed amount on the claim for certain significant procedures identified on the MS OPPS fee schedule