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State/Territory Name: Mississippi

State Plan Amendment (SPA) #: 18-0002

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

April 20, 2018

Mr. Drew Snyder
Interim Executive Director
Mississippi Division of Medicaid
550 High Street, Suite 1000
Jackson, MS 39201-1399

Attention: Margaret Wilson

Re: Mississippi State Plan Amendment, Transmittal # 18-0002

Dear Mr. Snyder:

We have reviewed the proposed Mississippi State Plan Amendment 18-0002, which was submitted to the Atlanta Regional Office on March 22, 2018. This SPA was submitted to allow the Mississippi Division of Medicaid to update the initial Medicare Equivalent of the average commercial rate (ACR) ratio, effective January 1, 2018.

Based on the information provided, the Medicaid State Plan Amendment MS-18-0002 was approved on April 20, 2018. The effective date of this amendment is January 1, 2018. We are Enclosing the approved HCFA-179 and the plan page.

If you have any additional questions or need further assistance, please contact Shelia Brady at 601-212-4659 or by email at Sheila.Brady@cms.hhs.gov.

Sincerely,

//s//

Davida Kimble
Acting Associate Regional Administrator
Division of Medicaid & Children's Health Operations

Enclosures

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL	1. TRANSMITTAL NUMBER: 18-0002	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 01/01/2018	
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: Social Security Act § 1902(a)(30); 42 CFR §§ 447.10, 447.204	7. FEDERAL BUDGET IMPACT: FY 2018: (22,389) FY 2019: (29,852)
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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (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:
State Plan Amendment (SPA) 18-0002 Physician Upper Payment Limit (UPL) is being submitted to allow the Division of Medicaid (DOM) to update the initial Medicare Equivalent of the average commercial rate (ACR) ratio, effective January 1, 2018.

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: Drew L. Snyder Miss. Division of Medicaid Attn: Margaret Wilson 550 High Street, Suite 1000 Jackson, MS 39201-1399
13. TYPED NAME: Drew L. Snyder	
14. TITLE: Interim Executive Director	
15. DATE SUBMITTED: 3/22/2018	

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED: 03/22/18	18. DATE APPROVED: 04/20/18
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PLAN APPROVED – ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL: 01/01/18	20. SIGNATURE OF REGIONAL OFFICIAL: //s//
21. TYPED NAME: Davida Kimble	22. TITLE: Acting 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**

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

Effective for dates of service on or after January 1, 2018, 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-OTHER
TYPES OF CARE**

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 the current procedural terminology (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.

State of Mississippi

**METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES-OTHER
TYPES OF CARE**

- 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 national non-facility fees effective January 1, 2017.
- 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 158.80% 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.