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State/Territory Name: Mississippi

State Plan Amendment (SPA) #: 19-0020

This file contains the following documents in the order listed:

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



Financial Management Group

September 30, 2019

Drew L. Snyder
Executive Director
Office of the Governor, Division of Medicaid
Walter Sillers Building
550 High Street, Suite 1000
Jackson, Mississippi 39201

Re: Mississippi State Plan Amendment 19-0020

Dear Mr. Snyder:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number 19-0020. This amendment proposes to:

1. update the DRG base price from \$6,585 to \$6,574;
2. update the DRG cost outlier threshold from \$45,000 to \$47,000; and
3. update the DRG base payment from \$6,415 to \$6,585

The SPA also proposed to clarify language regarding the issuance of public notice and will update the transplant case rates and post the rates on the Medicaid Agency's Fee Schedule webpage.

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 Part 447. We have found that the proposed reimbursement methodology complies with applicable requirements and therefore have approved them with an effective date of July 1, 2019. 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

cc:
Anna Dubois
Dan Yablochnikov

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL	1. TRANSMITTAL NUMBER: 19-0020	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 07/01/2019	
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 §§ 447.201, 447.203.	7. FEDERAL BUDGET IMPACT: FY 2019: (\$4,304) FY 2020: (\$17,350)
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-A, Pages 7, 10, 31, 32, 33, 43, 44, 45 and 67	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Attachment 4.19-A, Pages 7, 10, 31, 32, 33, 43, 44, 45, 67 and 68

10. SUBJECT OF AMENDMENT:

State Plan Amendment (SPA) 19-0020 All Patient Refined-Diagnosis Related Groups (APR-DRG) Reimbursement is being submitted to update the following hospital inpatient services effective July 1, 2019: 1) Update APR-DRG parameters, 2) Clarify language regarding the issuance of public notices, and 3) Update transplant case rates and post the transplant case rates on the Division of Medicaid's Fee Schedule webpage.

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: Executive Director	
15. DATE SUBMITTED: 07/30/19	

FOR REGIONAL OFFICE USE ONLY

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

23. REMARKS:

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CHAPTER 1
PRINCIPLES AND PROCEDURES

1-1 Plan Implementation

- A. Payments under this plan will be effective for services with admission dates October 1, 2012 and thereafter. The reimbursement period will run from October 1 through September 30 of each year.
- B. The Division of Medicaid will provide an opportunity for interested members of the public to review and comment on changes to the reimbursement methodology before it is implemented. This will be accomplished by publishing a public notice on the Agency's website prior to implementing the reimbursement methodology. A period of thirty (30) days will be allowed for comment. The Division of Medicaid will notify the administrator of each hospital of their inpatient Medicaid DRG base rate and inpatient cost-to-charge ratio used to pay cost outlier payments.
- C. The Division of Medicaid shall maintain any comments received on the plan, subsequent changes to the plan, or APR-DRG parameters for a period of five (5) years from the date of receipt.

1-2 Plan Evaluation

Documentation will be maintained to effectively monitor and evaluate experience during administration of the plan.

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out-of-state hospital are set annually using the Federal Register that applies to the federal fiscal year beginning October 1 of each year, issued prior to the reimbursement period. The inpatient CCR is calculated using the sum of the statewide average operating urban CCR plus the statewide average capital CCR for each state.

- B. Payment for transplant services is made under the Mississippi APR-DRG payment methodology including a policy adjustor. (Refer to Appendix A.) If access to quality services is unavailable under the Mississippi APR-DRG payment methodology, a case rate may be set.
1. A case rate is set at forty percent (40%) of the sum of average billed charges for transplant services as published in the most current *Milliman U.S. Organ and Tissue Transplant Cost Estimates and Discussion*. The transplant case rates are published on the agency's website at <https://medicaid.ms.gov/providers/fee-schedules-and-rates/>.
 2. The *Milliman* categories comprising the sum of average billed charges include outpatient services received thirty (30) days pre-transplant, procurement, hospital transplant inpatient admission, physician services during transplant and one-hundred eighty (180) days post (transplant) discharge. Outpatient immunè-suppressants and other prescriptions are not included in the case rate.

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3. If the transplant stay exceeds the hospital length of stay published by *Milliman*, an outlier per-diem payment will be made for each day that exceeds the hospital length of stay. The outlier per-diem payment is calculated by taking the difference between the sum of *Milliman's* total average billed charges including thirty (30) days pre-transplant, procurement, hospital transplant inpatient admission, physician services during transplant and one-hundred eighty (180) days post (transplant) discharge and the case rate, divided by the maximum outlier days. The outlier per-diem is added to the case rate for each day that exceeds the hospital length of stay.
4. Total reimbursement of transplant services cannot exceed one-hundred percent (100%) of the sum of average billed charges for the categories listed in B.2.

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5. Contracts for transplant services negotiated prior to October 1, 2012, are honored through the term of the contract.
 6. For transplant services not available in Mississippi and not listed in the most current *Milliman U.S. Organ and Tissue Transplant Cost Estimates and Discussion*, the Division of Medicaid will make payment using the Mississippi APR-DRG payment methodology. If Mississippi APR-DRG payment impacts access to care, the Division will reimburse what the domicile state pays for the service.
- C. For specialized services not available in Mississippi, the Division of Medicaid will make payment based on Mississippi APR-DRG payment methodology. If Mississippi APR-DRG payment affects access to care, the Division will reimburse what the domicile state pays for the service or a comparable payment other states reimburse under APR-DRG.

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may be applied to increase or decrease these relative weights. Policy adjustors are typically implemented to ensure that payments are consistent with efficiency and access to quality care. They are typically applied to boost payment for services where Medicaid represents a large part of the market and therefore Medicaid rates can be expected to affect hospitals' decisions to offer specific services and at what level. Policy adjustors may also be needed to ensure access to very specialized services offered by only a few hospitals. By definition, policy adjustors apply to any hospital that provides the affected service.

The specific values of each policy adjustor are reflected in Appendix A.

F. DRG Base Price

The same base price is used for all stays in all hospitals. The base price was set at a budget-neutral amount per stay based on an analysis of hospital inpatient stays from the previous state fiscal year. The Division of Medicaid will not make retroactive payment adjustments.

The base price is reflected in Appendix A.

G. DRG Base Payment

For each stay, the DRG Base Payment equals the DRG Relative Weight multiplied by the DRG Base Price with the application of policy adjustors, as applicable. Additional payments and adjustments are made as described in this section and in Appendix A.

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TN No. 19-0020
Supercedes
TN No. 18-0004

Date Received
Date Approved SEP 30 2019
Date Effective 07/01/19

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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. These values are effective for discharges on and after July 1, 2019. The DRG values are the same for both governmental and private providers.

<u>Payment Parameter</u>	<u>Value</u>	<u>Use</u>
3M™ APR-DRG version	V.35	Groups every claim to a DRG
DRG base price	\$6,574	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	1.40	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	\$47,000	Used in identifying cost outlier stays
DRG cost outlier marginal cost percentage	60%	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	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