

ATTACHMENT 4 19-B
PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICES

- 4 The agency will make interim payments to outpatient hospitals based upon Medicare principles and the above exceptions using the CMS 2552 Report, Worksheet C, Part 1 lines 37-68 as submitted by the hospitals to determine the Medicare outpatient cost-to-charge ratios (CCRs) for the ancillary cost centers for each hospital. The agency applies the hospital-specific CCRs to claims detail from the agency's MMIS pertaining to the Medicaid outpatient hospital charges associated with claims from each provider for the same dates of services as reported on the Medicare cost reports to calculate Medicaid limits per cost center. The agency uses the lesser of Medicaid costs or charges and subtracts from that amount any third party resource payments to arrive at the net Medicaid amount for each hospital and compares that amount to the total of interim payments to the hospital. Once the agency has calculated the difference between interim payments to the hospitals and the net Medicaid costs, only the calculations showing cost settlement amounts that are owed to the South Dakota Medicaid program will result in retroactive cost adjustments, those amounts being due the agency. All participating hospitals must submit their Medicare cost reports to the agency within 150 days following the end of their fiscal year.

The remaining in-state hospitals will be reimbursed at 90% of billed charges. Hospitals' charges shall be uniform for all payers and may not exceed the usual and customary charges to private pay patients.

For claims with dates of service from July 1, 2011 through June 30, 2012, the amount of reimbursement for in-state DRG hospitals and all out-of-state hospitals will be reduced by 11.48 percent after any cost sharing amount due from the patient and any third party liability amounts have been deducted. This does not apply to South Dakota hospitals that meet the criteria to be designated as Medicare Critical Access Hospitals under 42 CFR 485.606, or Medicaid Access-Critical, those rural community hospitals which provide access to essential health service (emergency, primary, acute, and nursing care) within a service area where no other (or it is likely that no other) provider of such essential services exists.

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SUPERSEDES
TN No 11-4

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