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State/Territory Name: MO

State Plan Amendment (SPA) #: 16-0012

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) Summary Form (with 179-like data)
- 3) Approved SPA Pages



Financial Management Group

MAY 17 2017

Brian Kinkade, Director
Missouri Department of Social Services
Broadway State Office Building
P.O. Box 1527
Jefferson City, MO 65102

RE: Missouri State Plan Amendment TN: 16-012

Dear Mr. Kinkade:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 16-012. This amendment increases base periods costs used to set inpatient hospital per diem rates by 2.7%. This amendment also specifies that hospital outlier payments for children will only be made for fee-for-service claims effective with admissions beginning May 1, 2017.

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. This is to inform you that Medicaid State plan amendment 16-012 is approved effective July 1, 2016. We are enclosing the HCFA-179 and the amended plan pages.

If you have any questions, please call Tim Weidler at (816) 426-6429.

Sincerely,

Kristin Fan
Director

Enclosures

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: HEALTH CARE FINANCING ADMINISTRATION		1. TRANSMITTAL NUMBER: <u>1 6 -- 1 2</u>	2. STATE Missouri
TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES		3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
		4. PROPOSED EFFECTIVE DATE July 1, 2016	
5. TYPE OF PLAN MATERIAL (Check One): <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 (Separate Transmittal for each amendment)			
6. FEDERAL STATUTE/REGULATION CITATION: 42 CFR 447 Subpart C		7. FEDERAL BUDGET IMPACT: a. FFY 2016 \$ 8.534 million b. FFY 2017 \$ 34.097 million	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-A Pages 6a & 13d		9. PAGE NUMBER OF THE SUPERSEDES PLAN SECTION OR ATTACHMENT (If Applicable): Attachment 4.19-A Pages 6a	
10. SUBJECT OF AMENDMENT: This amendment provides the State Fiscal Year (SFY) 2017 trend factor. This amendment also provides for a change in the Children's Outlier reimbursement effective May 1, 2017.			
11. GOVERNOR'S REVIEW (Check One) <input checked="" type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL <div style="text-align: right;"><input type="checkbox"/> OTHER, AS SPECIFIED:</div>			
12. SIGNATURE OF STATE AGENCY OFFICIAL: <div style="text-align: right;"><i>de</i></div>		16. RETURN TO: MO HealthNet Division P.O. Box 6500 Jefferson City, MO 65102	
13. TYPE NAME: Brian Kinkade 14. TITLE: Director 15. DATE SUBMITTED:		FOR REGIONAL OFFICE USE ONLY 17. DATE RECEIVED: 18. DATE APPROVED: MAY 17 2017 PLAN APPROVED - ONE COPY ATTACHED	
19. EFFECTIVE DATE OF APPROVED MATERIAL: JUL 01 2016			
21. TYPED NAME: <i>Kristin Fan</i>		20. SIGNATURE OF REGIONAL OFFICIAL: <i>[Signature]</i> 22. TITLE: <i>Director, FMC</i>	
23. REMARKS:			

- B. Trend Indices (TI). Trend indices are determined based on the four (4) quarter average DRI Index for DRI-Type Hospital Market Basket as published in Health Care Costs by DRI/McGraw-Hill for SFY 1995 to 1998. Trend indices starting in SFY 1999 will be determined based on the CPI Hospital index as published in Health Care Cost by DRI/McGraw-Hill, or equivalent publication regardless of any changes in the name of the publication or publisher, for each SFY starting with SFY99. Trend indices starting in SFY 2016 will be determined based on the Hospital Market Basket index as published in Healthcare Cost Review by IHS, or equivalent publication regardless of any changes in the name of the publication or publisher, for each State Fiscal Year (SFY).

1. The TI are set forth below:

- A. State Fiscal Year 1994 - 4.6%.,
 - B. State Fiscal Year 1995 - 4.45%;
 - C. State Fiscal Year 1996 - 4.575%;
 - D. State Fiscal Year 1997 - 4.05%;
 - E. State Fiscal Year 1998 - 3.1%
 - F. State Fiscal Year 1999 - 3.8%
 - G. State Fiscal Year 2000 - 4.0%
 - H. State Fiscal Year 2001 - 4.6%
 - I. State Fiscal Year 2002 - 4.8%
 - J. State Fiscal Year 2003 - 5.0%
 - K. State Fiscal Year 2004 - 6.2%
 - L. State Fiscal Year 2005 - 6.7%
 - M. State Fiscal Year 2006 - 5.7%
 - N. State Fiscal Year 2007 - 5.9%
 - O. State Fiscal Year 2008 - 5.5%
 - P. State Fiscal Year 2009 - 5.5%
 - Q. State Fiscal Year 2010 - 3.9%
 - R. State Fiscal Year 2011 - 3.2% -- The 3.2% trend shall not be applied in determining the per diem rate, Direct Medicaid payments or uninsured payments.
 - S. State Fiscal Year 2012 - 4.0%
 - T. State Fiscal Year 2013 - 4.4%
 - U. State Fiscal Year 2014 - 3.7%
 - V. State Fiscal Year 2015 - 4.3%
 - W. State Fiscal Year 2016 - 2.5%
 - X. State Fiscal Year 2017 - 2.7%
2. The TI for SFY 96 through SFY 98 are applied as a full percentage to the OC of the per-diem rate and for SFY 99 the OC of June 30, 1998 rate shall be trended by 1.2% and for SFY 2000 the OC of June 30, 1999 rate shall be trended by 2.4%. The OC of the June 30, 2000 rate shall be trended by 1.95%.
3. The per diem rate shall be reduced as necessary to avoid any negative Direct Medicaid Payments computed in accordance with subsection XV-1.B. If the per diem rate exceeds the trended cost per day as set forth in subsection XV-1.B., the per diem rate shall be reduced to equal the trended cost per day.

- C. Effective for admissions beginning on or after May 1, 2017, outlier adjustments will only be made for the fee for service claims. All criteria listed under subsection VII -1.A. will continue to be applied to the fee for service outlier submissions.