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**State/Territory Name: Mississippi**

**State Plan Amendment (SPA) #: 11-004**

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  
7500 Security Boulevard, Mail Stop 52-26-12  
Baltimore, Maryland 21244-1850



Centers for Medicaid and CHIP Services (CMCS)

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David J. Dzielak, PH.D.  
Executive Director  
State of Mississippi  
Office of the Governor  
Division of Medicaid  
Walter Sillers Building, Suite 1000  
550 High Street  
Jackson, MS 39201

MAY 15 2012

RE: State Plan Amendment (SPA) MS 11-004

Dear Dr. Dzielak:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 11-004. Effective October 1, 2011 this amendment proposes to revise the payment methodology for inpatient hospital services. Specifically, the amendment proposes to deny payment for Provider Preventable conditions.

We conducted our review of your submittal according to the statutory requirements at sections 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 October 1, 2011. We are enclosing the CMS-179 and the amended approved plan pages.


If you have any questions, please call Stanley Fields at (502) 223-5332.

Sincerely

//s//

Cindy Mann  
Director, CMCS

Cc: Mark Cooley, NIRT

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b>		1. TRANSMITTAL NUMBER: <b>2011-004</b>	2. STATE <b>MS</b>
<b>FOR: HEALTH CARE FINANCING ADMINISTRATION</b>		3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES		4. PROPOSED EFFECTIVE DATE <b>July 1, 2011</b>	
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: 		7. FEDERAL BUDGET IMPACT: a. FFY <b>2012</b> less than (\$74,180) b. FFY <b>2013</b> less than (\$74,180)	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:  Attachment 4.19-A, pages 18 and 19, and new pages 40, 41, and 42		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable):  Attachment 4.19-A, pages 18 and 19	
10. SUBJECT OF AMENDMENT: Section 2702 of the Patient Protection and Affordable Care Act of 2010 prohibits Federal payments to States under section 1903 of the Social Security Act for any amounts expended for providing medical assistance for certain hospital inpatient other provider-preventable conditions and health-care acquired conditions for dates of service on or after July 1, 2011.			
11. GOVERNOR'S REVIEW (Check One):			
<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: Robert L. Robinson Mississippi Division of Medicaid Attn: Kristi Plotner 550 High Street, Suite 1000 Jackson, MS 39201-1399	
13. TYPED NAME: Robert L. Robinson			
14. TITLE: Executive Director			
15. DATE SUBMITTED: 09/30/11			
<b>FOR REGIONAL OFFICE USE ONLY</b>			
17. DATE RECEIVED: 12-17-13		18. DATE APPROVED: 05-15-12	
<b>PLAN APPROVED – ONE COPY ATTACHED</b>			
19. EFFECTIVE DATE OF APPROVED MATERIAL: 10/01/11		20. SIGNATURE OF REGIONAL OFFICIAL: //s//	
21. TYPED NAME: Cindy Mann		22. TITLE: Director	
23. REMARKS: Approved with follow changes as authorized by state agency:  Block #4 changed to read October 1, 2011  Block 8 Changed to read: 4.19-A pages 18, 19 and 40.			

**State of Mississippi**  
**Title XIX Inpatient Hospital Reimbursement Plan**

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Unless a timely and proper request for a hearing is received by the Division from the provider, the findings of the Division shall be considered a final and binding administrative determination.

The hearing will be conducted in accordance with the Procedures for Administrative and Fair Hearings as adopted by the Mississippi Division of Medicaid.

XI. Payments Assurance

The State will pay each hospital which furnishes the services in accordance with the requirements of the State Plan the amount determined for services furnished by the hospital according to the standards and methods set forth in the Mississippi Title XIX Inpatient Hospital Reimbursement Plan.

In all circumstances where third party payment is involved, Medicaid will be the payer of last resort.

XII. Provider Participation

Payments made in accordance with the standards and methods described in this attachment are designed to enlist participation of a sufficient number of hospitals in the program so that eligible persons can receive the medical care and services included in the State Plan, at least to the extent these services are available to the general public.

XIII. Payment in Full

Participation in the program shall be limited to hospitals who accept, as payment in full for services rendered to Medicaid recipients, the amount paid in accordance with this State Plan.

XIV. Plan Evaluation

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

XV. Citation - 42 CFR 447, 434, 438, and 1902(a)(4), 1902(a)(6), and 1903

Payment Adjustment for Provider Preventable Conditions

The Medicaid agency meets the requirements of 42 CFR Part 447, Subpart A, and sections 1902(a)(4), 1902(a)(6), and 1903 of the Social Security Act, with respect to non-payment for provider-preventable conditions.

Health Care-Acquired Conditions

The State identifies the following Health Care-Acquired Conditions for non-payment under Section 4.19-A:

X Hospital-Acquired Conditions as identified by Medicare other than Deep Vein Thrombosis (DVT)/Pulmonary Embolism (PE) following total knee replacement or hip replacement surgery in pediatric and obstetric patients.

Section 2702 of the Patient Protection and Affordable Care Act of 2010 prohibits Federal payments to States under section 1903 of the Social Security Act for any amounts expended for providing medical assistance for certain hospital inpatient provider-preventable conditions (PPC) and health care-acquired conditions (HCAC) for dates of service effective October 1, 2011, for individuals for which Medicaid is primary and those dually eligible for both the Medicare and Medicaid programs. This policy applies to all Mississippi Medicaid enrolled hospitals except for Indian Health Services. Reduced payment to providers is limited to the amounts directly identifiable as related to the PPC and the resulting treatment. The payment reduction will not apply to Deep Vein Thrombosis/Pulmonary Embolism (DVT/PE) as related to a total knee replacement or hip replacement for children under age twenty-one or pregnant women.

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Other Provider-Preventable Conditions

The State identifies the following Other Provider-Preventable Conditions for non-payment under Section 4.19A:

  X   Wrong surgical or other invasive procedure performed on a patient; surgical or other invasive procedure performed on the wrong body part; surgical or other invasive procedure performed on the wrong patient.

           Additional Other Provider-Preventable Conditions identified below (please indicate the section(s) of the plan and specific service type and provider type to which the provisions will be applied.

No reduction in payment for a provider preventable condition will be imposed on a provider when the condition defined as a PPC for a particular patient existed prior to the initiation of treatment for that patient by that provider.

Reductions in provider payment may be limited to the extent that the following apply:

1. The identified provider-preventable conditions would otherwise result in an increase in payment.
2. The State can reasonably isolate for nonpayment the portion of the payment directly related to treatment for, and related to, the provider-preventable conditions.

Non-payment of provider-preventable conditions shall not prevent access to services for Medicaid beneficiaries.

The following method will be used to determine the related reduction in payments for hospital inpatient Health Care-Acquired Conditions and Other Provider Preventable Conditions which includes Never Events as defined by the National Coverage Determination for dates of service beginning on or after October 1, 2011:

Once quarterly, paid claims identified in the Mississippi Medicaid Information System (MMIS) with a POA indicator of "N" or "U", will be run through a Medicare DRG Grouper, once without the appropriate POA indicator with the application of the Medicare list of Health Care-Acquired Conditions and Other Provider-Preventable Conditions, and once with the appropriate POA indicator with the application of the Medicare list of Health Care-Acquired Conditions and Other Provider-Preventable Conditions. If a difference in payment between the two claims is indicated, the following steps will be performed. (Refer to Appendix J for example.)

- a. The original claim will be voided.
- b. The original claim will be reprocessed and manually re-priced to reflect the reduction in payment due to the PPC. The payment amount will be calculated by multiplying the per diem rate in effect at the time the claim is processed times the covered days, less the difference in payment resulting in the paragraph above.
- c. Each identified claim will be voided, reprocessed and manually re-priced for any subsequent retro-rate adjustments.

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TN No. 2011-004  
Supercedes  
TN No. 2005-012

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Date Received \_\_\_\_\_  
Date Approved MAY 15 2012  
Date Effective 10/01/11

State of Mississippi  
Title XIX Inpatient Hospital Reimbursement Plan

**APPENDIX J**

**Calculation of the Provider-Preventable Conditions (PPC)  
Reduction in Payment for Hospital Inpatient Services**

**Section XV.** of the Plan requires a reduction in hospital inpatient payments for Provider-Preventable Conditions (PPC) including Health Care-Acquired Conditions (HCAC) and Other Provider Preventable Conditions (OPPC). Following is the example of the calculation and application of the payment reduction:

**A. PPC Payment Reduction Calculation for Dates of Service beginning on or after October 1, 2011** – Once quarterly a report will be run by DOM to identify those paid claims with a Present on Admission (POA) indicator of "N" or "U" with Health Care-Acquired Conditions and Other Provider Preventable Conditions. The payment reduction will be based on the Medicare DRG grouper for claims with dates of service on or after October 1, 2011, as calculated below.

Col. A	Col. B	Col. C	Col. D	Col. E	Col. F	Col. G	Col. J
Provider Number	TCN number	Dates of Service	Covered Days	Original XIX Allowed Amount per MMIS before PPC reduction	Medicare DRG grouper payments for HCAC/OPPC w/o POA*	Medicare DRG grouper payments for HCAC/OPPC with POA*	Reduction in XIX Payments for PPCs (Col. F – Col. G)
0022XX1	XXXXXXXXXXXXXXXXXX	10/01/11 – 10/14/11	13	\$8,144.63	\$11,500	\$12,800	(\$1,300)
00020XX9	XXXXXXXXXXXXXXXXXX	10/10/11 – 10/14/11	4	\$6,374.68	\$5,720	\$5,720	(\$0)
00020XX5	XXXXXXXXXXXXXXXXXX	11/09/11 – 11/14/11	5	\$5,695.10	\$6,000	\$6,540	(\$540)
0022XX4	XXXXXXXXXXXXXXXXXX	11/15/11 – 11/24/11	9	\$13,326.66	\$10,898	\$11,280	(\$382)
00020XX4	XXXXXXXXXXXXXXXXXX	12/03/11 – 12/08/11	5	\$6,790.60	\$8,350	\$8,350	(\$0)
Total			36	\$40,331.67	\$44,690	\$42,468	(\$2,222)

\*Please note that the Medicare DRG grouper payment amounts are for illustrative purposes only and do not reflect actual grouper amounts.

The original paid claims indicated above would be voided and reprocessed and manually re-priced to reflect the reduction in Column J. For instance, the first claim that originally paid \$8,144.63 would be voided and manually re-priced to pay \$6,844.63 (\$8144.63 - \$1,300.00). The payment reduction of \$1,300.00 would be recovered from the provider on their remittance advice.

When a provider's rate is adjusted for the reasons indicated in the state plan, the identified claims will be readjusted based on the new rate.

TN No. 2011-004  
Supersedes  
TN No. NEW

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Date Approved MAY 15 2012  
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