

Table of Contents

State/Territory Name: Mississippi

State Plan Amendment (SPA) #: 18-0015

This file contains the following documents in the order listed:

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



Financial Management Group

July 29, 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 18-0015

Dear Mr. Snyder:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number 18-0015. This amendment:

- continues to include GME approved costs,
- modifies language to clearly state that Medicare and third party payor cost and payments would be included the DSH UCC,
- clarifies that the DSH year is from October 1 through September 30,
- allows hospital taxes as specified in PRM-1, Section 2122,
- proposes a remedy for situations where the federal DSH allotment is adjusted after June 1 of the DSH payment year, and
- clarifies that DSH audits would be performed on those hospitals that receive DSH payments.

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 October 1, 2018. 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: 18-0015	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 10/01/2018	
TO: REGIONAL ADMINISTRATOR CENTERS FOR MEDICARE AND MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES			
5. TYPE OF PLAN MATERIAL (<i>Check One</i>):			
<input type="checkbox"/> NEW STATEPLAN <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 (<i>Separate Transmittal for each amendment</i>)			
6. FEDERAL STATUTE/REGULATION CITATION:		7. FEDERAL BUDGET IMPACT:	
42 U.S.C § 1396r-4, 42 C.F.R. §§ 413.9, 447.299.		FY 2019: (\$0) FY 2020: (\$0)	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (<i>If Applicable</i>):	
Attachment 4.19-A, Pages 7, 25, 64, and 66		Attachment 4.19-A, Pages 7, 25, 64, and 66	
10. SUBJECT OF AMENDMENT:			
State Plan Amendment (SPA) 18-0015 Disproportionate Share Hospital (DSH) Payments is being submitted to update the hospital DSH program 1) to clarify a) the treatment of hospital assessments on cost reports according to the entire Section 2122 of the Medicare Provider Reimbursement Manual 15-1, b) Medicaid costs include Graduate Medical Education (GME) approved costs in DSH calculations, c) Medicaid costs do not include costs associated with services covered by another third-party payer, including Medicare, d) the DSH period and annual DSH status determination and 2) to add language for the treatment of revised DSH allotments, effective October 1, 2018.			
11. GOVERNOR'S REVIEW (<i>Check One</i>):			
<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:		16. RETURN TO:	
/s/		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: 12/03/2018			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED: 12/03/18		18. DATE APPROVED: 07/29/19	
PLAN APPROVED – ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL:		20. SIGNATURE OF REGIONAL OFFICIAL:	
10/01/18		/s/	
21. TYPED NAME:		22. TITLE: Director, FMG	
Kristin Fan			
23. REMARKS:			

State of Mississippi
Title XIX Inpatient Hospital Reimbursement Plan

	R. Long-term Ventilator-dependent Patients Admitted Prior to October 1, 2012	60
	S. Post-Payment Review	60
5	<u>Disproportionate Share Hospital Payments</u>	61
5-1	Qualifying Criteria	61
5-2	Computation of Disproportionate Share Payments	63
5-3	Disproportionate Share Payment Period	64
5-4	Timing of Disproportionate Share Payments	65
5-5	Audit of Disproportionate Share Payments	65
5-6	DSH Allotment Adjustments	66
	Appendix A – APR-DRG KEY PAYMENT VALUES	67
	Appendix B – Out-of-State Transplant Services Proposed Case Payment (PCP) Effective Date October 1, 2012	68

State of Mississippi
Title XIX Inpatient Hospital Reimbursement Plan

- D. Implicit in any definition of allowable costs is that those costs should not exceed what a prudent and cost conscious buyer pays for a given service or item. If costs are determined to exceed the level that a prudent buyer would incur, then excess costs would not be reimbursable under the plan. Such cost is allowable to the extent that it is related to patient care, is necessary and proper, and is not in excess of what would be incurred by a prudent buyer.
- E. The costs of implantable programmable baclofen drug pumps used to treat spasticity implanted on an inpatient basis are allowable costs for Medicaid cost report purposes. The cost of the pumps should not be removed from allowable costs on the cost report.
- F. The hospital assessment referred to in Section 43-13-145(4), *Mississippi Code of 1972*, will be considered allowable costs on the cost report filed by each hospital, in accordance with the Medicare Provider Reimbursement Manual, 15-1, Section 2122.
- G. Legal costs and fees resulting from suits against federal and state agencies administering the Medicaid program are not allowable costs.
- H. Notwithstanding any other subparagraph, depreciation and interest expense shall not exceed the limitations set forth in Section 2-9.
- I. Inpatient hospital services provided under the Early Periodic Screening Diagnostic and Testing (EPSDT) program will be reimbursed at the APR-DRG amount.
- J. The State has in place a public process which complies with the requirements of Section 1902(a) (13) (A) of the Social Security Act.

State of Mississippi

Title XIX Inpatient Hospital Reimbursement Plan

services (including GME program costs approved in accordance with Section 4-1.Q. of this plan) by the hospital to patients who either are eligible for medical assistance under this (or another state's) State Plan, or have no health insurance (or other source of third party coverage) for services provided during the year less any payments made by Medicaid, other than for disproportionate share payments, and less any payments made by uninsured patients. For purposes of this section, payments made to a hospital for services provided to indigent patients made by a State or a unit of local government within a State shall not be considered to be a source of third party payment. For Medicaid DSH payment purposes, Medicaid costs do not include costs associated with services covered by another third-party payer (including Medicare). When Medicaid eligible patients have access to coverage from another party, payments made by the other party may be used as a proxy for cost offsets when calculating the Medicaid payment shortage or overage.

- B. The payment to each hospital shall be calculated by applying a uniform percentage required to allocate 100% of the MS DSH allotment to all DSH eligible hospitals for the rate year to the uninsured care cost of each eligible hospital, excluding state-owned institutions for treatment of mental diseases; however, that percentage for a state-owned teaching hospital located in Hinds County shall be multiplied by a factor of two (2).
- C. For each state fiscal year from 2015 forward, the state shall use uninsured costs from the hospital data related to the most recently filed and longest cost reporting period ending in the calendar year prior to the beginning of the state fiscal year.
 - 1. Those hospital assessments removed on the facility's cost report in accordance with the Medicare Provider Reimbursement Manual, 15-1, Section 2122, should be identified on the hospital DSH survey for add-back in the computation of the uncompensated care costs for Medicaid DSH payment purposes.
- D. The Division of Medicaid shall implement DSH calculation methodologies that result in the maximization of available federal funds.

5-3 Disproportionate Share Payment Period

The DSH payment period is from October 1 through September 30. The determination of a hospital disproportionate share status is made annually for hospitals that meet the DSH requirements as of October 1. Once the list of disproportionate

State of Mississippi
Title XIX Inpatient Hospital Reimbursement Plan

from highest to lowest, then to government non-state hospitals in the order of MIUR from highest to lowest, then to private hospitals in the order of MIUR from highest to lowest.

5-6 DSH Allotment Adjustments

If the federal government adjusts the DSH allotment available to Mississippi prior to the month of a scheduled payment within the DSH payment year, this revised Mississippi DSH allotment will be utilized in the next scheduled DSH payment. However, if the federal government revises the Mississippi DSH allotment after June 1 of the DSH payment year, this revised DSH allotment will be incorporated into an additional DSH redistribution, negative or positive, that will be made after the DSH audit for that DSH payment year has been finalized.

If the revised DSH allotment available after June 1 of the DSH payment year is a reduction in the DSH allotment, the net reduction will be used to proportionately decrease DSH payments to all DSH hospitals that received a DSH payment, after DSH payment adjustments have been made to reduce payments down to the individual hospital-specific DSH payment limit as identified in the DSH audit.

If the revised DSH allotment available after June 1 of the DSH payment year is an increase in the DSH allotment, the net increase will be used to proportionately increase DSH payments to all hospitals that received a DSH payment and were found to be paid less than their federal DSH payment limit. The proportionate increase will be based upon the gap between each DSH hospital's audited DSH limit and the DSH payments they received, including the finalized DSH audit redistribution in Section 5-5 above. No hospital will receive an additional DSH redistribution payment that would increase their total DSH payment for that payment year in excess of their audited hospital-specific DSH limit.