

## **Table of Contents**

**State/Territory Name: MO**

**State Plan Amendment (SPA) #: 23-0016**

This file contains the following documents in the order listed:

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



## Financial Management Group

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November 8, 2023

Robert Knodell, Acting Director  
Missouri Department of Social Services  
P.O. Box 1527  
Jefferson City, MO 65102-1527

RE: Missouri Medicaid State Plan Amendment TN: 23-0016

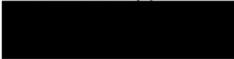
Dear Mr. Knodell:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 23-0016. The purpose of this SPA is to update the inpatient hospital reimbursement methodology to include a new psych adjustment supplemental payment.

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. CMS recognizes that this payment is funded solely with appropriations, but reiterates that the state's use of revenues derived from its Federal Reimbursement Allowance (FRA) tax program as a source of Missouri's non-federal share for this state plan amendment may not comply with certain health care-related tax requirements in section 1903(w)(4) of the Social Security Act and implementing regulations in 42 CFR 433.68(f)(3) based on similarities between the FRA tax program and the state's Nursing Facility Reimbursement Allowance (FRA) tax program. Approval of this state plan amendment does not constitute an approval of any non-federal share funded by the FRA or NFRA taxes.

This is to inform you that Medicaid State plan amendment is approved effective July 1, 2023. We are enclosing the CMS-179 and the amended plan pages. If you have any additional questions or need further assistance, please contact Fred Sebree at [fredrick.sebree@cms.hhs.gov](mailto:fredrick.sebree@cms.hhs.gov).

Sincerely,

  
Rory Howe  
Director

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b> <b>FOR: CENTERS FOR MEDICARE &amp; MEDICAID SERVICES</b>	1. TRANSMITTAL NUMBER <u>2 3 0 0 1 6</u>	2. STATE <u>MO</u>
	3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT <input checked="" type="radio"/> XIX <input type="radio"/> XXI	
TO: CENTER DIRECTOR CENTERS FOR MEDICAID & CHIP SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES	4. PROPOSED EFFECTIVE DATE <p style="text-align: center;">July 1, 2023</p>	
5. FEDERAL STATUTE/REGULATION CITATION  42 CFR 447 Subpart C	6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars) a. FFY <u>2023</u> \$ <u>4,113,125</u> b. FFY <u>2024</u> \$ <u>12,388,125</u>	
7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT Attachment 4.19 A - page 1 and adding page 30a	8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) Attachment 4.19 A - page 1	

9. SUBJECT OF AMENDMENT  
This State Plan Amendment is updating the inpatient hospital reimbursement to include a new supplemental payment. The new supplemental payment is the Psych Adjustment Payment.

10. GOVERNOR'S REVIEW (Check One) SLV

GOVERNOR'S OFFICE REPORTED NO COMMENT  OTHER, AS SPECIFIED:

COMMENTS OF GOVERNOR'S OFFICE ENCLOSED

NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

11. SIGNATURE OF STATE AGENCY OFFICIAL 	15. RETURN TO MO HealthNet Division P.O. Box 6500 Jefferson City, MO 65102
12. TYPED NAME Robert J. Knodell	
13. TITLE Director	
14. DATE SUBMITTED <u>8-10-23</u>	

**FOR CMS USE ONLY**

16. DATE RECEIVED <u>8/14/2023</u>	17. DATE APPROVED <u>November 8, 2023</u>
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**PLAN APPROVED - ONE COPY ATTACHED**

18. EFFECTIVE DATE OF APPROVED MATERIAL <u>7/1/2023</u>	19. SIGNATURE OF APPROVING OFFICIAL 
20. TYPED NAME OF APPROVING OFFICIAL <u>Rory Howe</u>	21. TITLE OF APPROVING OFFICIAL <u>Director, FMG</u>

22. REMARKS  
  
10/12/2023 - State authorized CMS to add MO HealthNet Division information in block 15

STATE: Missouri

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES

Inpatient Hospital Services Reimbursement Plan

I. General Reimbursement Principles

- A. For inpatient hospital services provided for an individual entitled to Medicare Part A inpatient hospital benefits and eligible for Medicaid, reimbursement from the Missouri Medicaid program will be available only when Medicaid's applicable payment schedule amount exceeds the amount paid by Medicare. Medicaid's payment will be limited to the lower of the deductible and coinsurance amounts or the amount the Medicaid applicable payment schedule amount exceeds the Medicare payments. For all other Medicaid participants, unless otherwise limited by rule, reimbursement will be based solely on the individual participant's days of care (within benefit limitations) multiplied by the individual hospital's Title XIX per diem rate.
- B. The Title XIX reimbursement for hospitals, excluding those located outside Missouri, shall include the payments as outlined below. Reimbursement shall be subject to availability of federal financial participation (FFP).
1. Inpatient per diem reimbursement - The per diem rate is established in accordance with Sections IV and V.
  2. Outpatient reimbursement is established in accordance with Attachment 4.19B.
  3. Acuity Adjustment Payment (AAP) – The Acuity Adjustment Payment is established in accordance with Section VI.
  4. Poison Control (PC) Payment – The Poison Control Payment is established in accordance with Section VII.
  5. Stop Loss Payment (SLP) – The Stop Loss Payment is established in accordance with Section VIII.
  6. Disproportionate Share Hospital (DSH) Payment - The DSH payment is established in accordance with Section IX.
  7. Medicaid Graduate Medical Education (GME) Payment – The GME Payment is established in accordance with Section X.
  8. Upper Payment Limit (UPL) Payment – The UPL Payment is established in accordance with Section XI.
  9. Children's Outlier (CO) Payment - The Children's Outlier Payment is established in accordance with Section XII.
  10. Psych Adjustment (PA) Payment – The Psych Adjustment Payment is established in accordance with Section XVIII.

State Plan TN# 23-0016  
Supersedes TN# 22-0004

Effective Date 07/01/2023  
Approval Date November 8, 2023

XVIII. Psych Adjustment (PA) Payment

- A. Beginning with SFY 2024, hospitals who have FFS psychiatric hospital days as identified in the MMIS shall receive a PA Payment.
  1. The PA payment is a set dollar amount appropriated by the Missouri General Assembly and approved with signature by the Missouri Governor and distributed to eligible hospitals proportionately as follows:
    - (a) Beginning with SFY 2024, the set dollar amount appropriated is twenty-five million (\$25,000,000).
    - (b) The FFS psychiatric hospital days for each hospital will be divided by the total FFS psychiatric hospital days for all hospitals to determine a percentage for each hospital. This percentage will then be multiplied by the dollar amount in XVIII.A.1.(a) to determine the PA payment. The FFS psychiatric hospital days are paid days from the second prior calendar year.
  2. The annual final PA payment will be calculated for each eligible hospital at the beginning of each SFY. The annual amount will be processed over the number of financial cycles during the SFY.