

## **Table of Contents**

**State/Territory Name: MO**

**State Plan Amendment (SPA) #: 23-0031**

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

---

January 24, 2024

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: 23-0031

Dear Mr. Knodell:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 23-0031. The purpose of this SPA is to add back language related to final DSH redistributions and adding language regarding final DSH redistributions and unspent allotment payments to bankrupt-liquidation or closed hospitals.

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 November 8, 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 2 3 — 0 0 3 1	2. STATE MO
	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 November 7, 2023 November 8, 2023	
5. FEDERAL STATUTE/REGULATION CITATION 42 CFR 447 Subpart C	6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars) a. FFY 2023 \$ 0 b. FFY 2024 \$ 0	
7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT Attachment 4.19 A - page 19 and 20	8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) Attachment 4.19 A - page 19 and 20	

9. SUBJECT OF AMENDMENT  
This State Plan Amendment is adding back language related to final DSH redistributions and adding language regarding final DSH redistributions and unspent allotment payments to bankrupt-liquidation and closed hospitals.

10. GOVERNOR'S REVIEW (Check One)

GOVERNOR'S OFFICE REPORTED NO COMMENT SLV  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 11-28-23	

FOR CMS USE ONLY

16. DATE RECEIVED 12/5/2023	17. DATE APPROVED January 24, 2024
<b>PLAN APPROVED - ONE COPY ATTACHED</b>	
18. EFFECTIVE DATE OF APPROVED MATERIAL 11/8/2023	19. SIGNATURE OF APPROVING OFFICIAL 
20. TYPED NAME OF APPROVING OFFICIAL Rory Howe	21. TITLE OF APPROVING OFFICIAL Director, FMG

22. REMARKS  
State updated blocks 11, 12, 13, and 14 - 12/11/2023  
Updated block 4 from November 7 to November 8 - 1/16/2024

- d. A hospital may submit a request to use alternate data due to extraordinary circumstances after March 1, but the alternate data and the resulting interim DSH payment will be subject to the same requirements as the Interim DSH Payment Adjustments noted below in IX.A.7.(d)(3)b.-d. The requests relating to extraordinary circumstances received after the March 1 deadline will be included with the Interim DSH Payment Adjustments requests in IX.A.7.(d)(3) in distributing the unobligated DSH allotment, and subject to appropriation authority, remaining for the SFY.

(3) Interim DSH Payment Adjustment.

- a. After the interim DSH payment has been calculated for the current SFY based on the required state DSH survey, a provider may request that alternate data be used if the Untrended Total Estimated Net Cost from the alternate data is at least twenty percent (20.00%) higher than the Trended Total Estimated Net Cost from the required state DSH survey (i.e., the increase is at least twenty percent (20.00%) rounded to two decimal places).
  - b. The Division will process interim DSH payment adjustments once a year. After all requests are received, the Division will determine whether revisions to the interim DSH payments are appropriate. Any revisions to the interim DSH payments are subject to the unobligated DSH allotment and appropriation authority remaining for the SFY;
  - c. The request, including the alternate data, must be submitted to the Division by December 31 of the current SFY for which interim DSH payments are being made; and
  - d. To the extent that state funds are available, the DSH allotment for the SFY that has not otherwise been obligated will be distributed proportionally to the hospitals determined to meet the above criteria, based on the difference between the preliminary interim DSH payment based on the alternate data and the original interim DSH payment.
- (4) If a provider received an exception that allows it to use alternate data for interim DSH payment purposes under IX.A.7. in the prior SFY, it may continue to use alternate data for its interim DSH payment until the required state DSH survey reflects the annual impact of the change. The alternate state DSH survey supplemental schedule should be used until the most recent cost report on file with the division reflects the annual impact of the change. Both the required state DSH survey and the applicable alternate data must be submitted to the independent DSH auditor and the division no later than March 1 preceeding the beginning of each SFY for which the interim DSH payment is being made.

B. Department of Mental Health (DMH) Interim DSH Payments.

- 1. Beginning in SFY 2012 due to structural changes occurring at the DMH facilities interim DSH payments will be based on the third prior base year cost report trended to the current SFY adjusted for the FRA assessment paid by DMH hospitals. The interim DSH payments calculated using the third prior base year cost report may be revised based on the results of a DMH state DSH survey. Additional adjustments, may be done based on the results of the federally mandated DSH audits.

State Plan TN# 23-0031  
Supersedes TN# 22-0004

Effective Date 11/08/2023  
Approval Date January 24, 2024

C. Interim DSH Payment Adjustments.

1. To minimize hospital longfalls, Interim DSH payments made to hospitals will be revised if changes to federally mandated DSH audit standards are enacted during a SFY, updated for Medicaid expansion until it is captured in the required state DSH survey, or any changes in Medicaid reimbursement until it is captured in the required state DSH survey. These revisions are to serve as interim adjustments until the federally mandated DSH audits are complete. DSH audits are finalized three (3) years following the SFY year-end reflected in the audit. For example, the SFY 2019 DSH audit will be finalized in Calendar Year (CY) 2022.

D. Final DSH Adjustments.

1. Final DSH adjustments will be made after actual cost data is available and the DSH audit is completed.
2. Final DSH adjustments may result in a recoupment for some hospitals and additional DSH payments for other hospitals based on the results of the final DSH audit as set forth below.
  - (a) Hospital DSH liabilities are overpayments, which will be recouped. If the final DSH audit reflects that a facility has a hospital DSH liability, it is an overpayment to the hospital and is subject to recoupment. The hospital's DSH liability shown on the final DSH audit report, that is required to be submitted to CMS by December 31, will be due to the division by October 31 of the following year;
  - (b) Any overpayments that are recouped from hospitals as the result of the final DSH audit will be redistributed to hospitals that are shown to have been paid less than their hospital-specific DSH limits. These redistributions will occur proportionally based on each hospital's total shortfall to the total shortfall, not to exceed each hospital-specific DSH limit less OOS DSH payments;
  - (c) Redistribution payments to hospitals that have been paid less than their hospital-specific DSH limit must occur after the recoupment of hospital DSH liabilities. However, total industry redistribution payments may not exceed total industry recoupments collected to date.
3. If the original DSH payments did not fully expend the federal DSH allotment for any plan year, the remaining DSH allotment may be paid to hospitals that are under their hospital-specific DSH limit. These payments will occur proportionally based on each hospital's uncompensated care shortfall to the total shortfall, not to exceed each hospital's specific DSH limit.
4. If the original DSH payments did not fully expend the federal Institute for Mental Disease (IMD) DSH allotment for any plan year, the remaining IMD DSH allotment may be paid to hospitals that are under their projected hospital-specific DSH limit. These payments will occur proportionally based on each hospital's uncompensated care shortfall to the total shortfall, not to exceed each hospital's specific DSH limit.
5. Bankrupt-liquidation or closed hospitals are not eligible for final DSH redistributions or unspent allotment payments.

E. Hospital-Specific DSH Cap.

1. Unless otherwise permitted by federal law, disproportionate share hospital payments shall not exceed one hundred percent (100%) of the unreimbursed cost for Medicaid and the unreimbursed cost of the uninsured. The hospital-specific DSH cap shall be computed by combining the estimated unreimbursed Medicaid costs for each hospital with the hospital's corresponding estimated unreimbursed uninsured costs. All DSH payments in the aggregate shall not exceed the federal DSH allotment within a state fiscal period.

State Plan TN# 23-0031  
Supersedes TN# 22-0004

Effective Date 11/08/2023  
Approval Date January 24, 2024