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State/Territory Name: MS

State Plan Amendment (SPA) : 22-0006

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

DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S3-14-28
Baltimore, Maryland 21244-1850



Financial Management Group

September 13, 2022

Drew L. Snyder
Executive Director
Miss. Division of Medicaid
550 High Street, Suite 1000
Jackson, MS 39201-1399

Reference: TN 22-0006

Dear Mr. Snyder,

We have reviewed the proposed amendment to Attachment 4.19-D of your Medicaid State plan submitted under transmittal number (TN) 22-0006. This amendment allows the Mississippi Division of Medicaid to remove the rate freeze from long-term care facilities and reimburse providers according to the previous payment methodology, effective May 1, 2022.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30), and 1903(a) of the Social Security Act and the implementing Federal regulations at 42 CFR 447 Subpart C.

Based upon the information provided by the State, we have approved Medicaid State plan amendment: MS 22-0006 with an effective date of May 1, 2022. The CMS-179 and the amended plan page(s) are attached.

If you have any additional questions or need further assistance, please contact Douglas Spitler at Douglas.Spitler@cms.hhs.gov.

Sincerely,



Rory Howe
Director

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES		1. TRANSMITTAL NUMBER <div style="border-bottom: 1px solid black; display: flex; justify-content: space-around; width: 100%;"> 22—0006 </div>	2. STATE <div style="border-bottom: 1px solid black; display: flex; justify-content: space-around; width: 100%;"> MS </div>
TO: CENTER DIRECTOR CENTERS FOR MEDICAID & CHIP SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES		3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT <div style="display: flex; justify-content: space-around; align-items: center;"> <input checked="" type="radio"/> XIX <input type="radio"/> XXI </div>	
5. FEDERAL STATUTE/REGULATION CITATION 42 C.F.R. § 447.201		4. PROPOSED EFFECTIVE DATE <div style="text-align: center; margin-top: 10px;">May 1, 2022</div>	
7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT Attachment 4.19-D, Pages 98, 99, 118, 120, 128, 129, 130, 138		6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars) <div style="display: flex; justify-content: space-between;"> <div style="width: 40%;">a. FFY 22</div> <div style="width: 60%; text-align: right;">\$ 2,020,051</div> </div> <div style="display: flex; justify-content: space-between;"> <div style="width: 40%;">b. FFY 23</div> <div style="width: 60%; text-align: right;">\$ 8,771,580</div> </div>	
8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) Attachment 4.19-D, Pages 98, 99, 118, 120, 128, 129, 130, 138		9. SUBJECT OF AMENDMENT State Plan Amendment (SPA) 22-0006 Long-Term Care is being submitted to allow the Division of Medicaid (DOM) to remove the rate freeze from long-term care facilities and reimburse providers according to the previous payment methodology.	
10. GOVERNOR'S REVIEW (Check One) <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div style="width: 60%;"> <input checked="" type="radio"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input type="radio"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="radio"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL </div> <div style="width: 35%;"> <input type="radio"/> OTHER, AS SPECIFIED: </div> </div>			
11. SIGNATURE OF STATE AGENCY OFFICIAL <div style="background-color: black; height: 20px; width: 100%; margin-top: 5px;"></div>		15. RETURN TO Drew L. Snyder Miss. Division of Medicaid Attn: Robin Bradshaw 550 High Street, Suite 1000 Jackson, MS 39201-1399	
12. TYPED NAME Drew L. Snyder		13. TITLE Executive Director	
14. DATE SUBMITTED <div style="text-align: center; margin-top: 10px;">JUN 21 2022</div>		16. DATE RECEIVED June 21, 2022	
FOR CMS USE ONLY			
17. DATE APPROVED September 13, 2022		18. EFFECTIVE DATE OF APPROVED MATERIAL May 1, 2022	
PLAN APPROVED - ONE COPY ATTACHED			
19. SIGNATURE OF APPROVING OFFICIAL <div style="background-color: black; height: 20px; width: 100%; margin-top: 5px;"></div>		20. TYPED NAME OF APPROVING OFFICIAL Rory Howe	
21. TITLE OF APPROVING OFFICIAL Director, FMG		22. REMARKS	

REDUCED PHYSICAL FUNCTION CATEGORIES

<u>GROUP DESCRIPTION</u>	<u>ADL SCORE</u>	CMI	
		REGULAR	ALZHEIMER'S
		<u>UNIT</u>	<u>UNIT</u>
PE2 Reduced Physical Function with Restorative Nursing	15-16	1.250	1.600
PE1 Reduced Physical Function	15-16	1.170	1.498
PD2 Reduced Physical Function with Restorative Nursing	11-14	1.150	1.472
PD1 Reduced Physical Function	11-14	1.060	1.357
PC2 Reduced Physical Function with Restorative	6-10	0.910	1.165
PC1 Reduced Physical Function	6-10	0.850	1.088
PB2 Reduced Physical Function with Restorative	2-5	0.700	0.896
PB1 Reduced Physical Function	2-5	0.650	0.832
PA2 Reduced Physical Function with Restorative	0-1	0.490	0.627
PA1 Reduced Physical Function	0-1	0.450	0.576

INACTIVE CATEGORY

<u>GROUP DESCRIPTION</u>	<u>ADL SCORE</u>	CMI	
		REGULAR	ALZHEIMER'S
		<u>UNIT</u>	<u>UNIT</u>
BC1 Inactive Group*	Not Applicable	0.450	0.450

***RESIDENT ASSESSMENTS THAT CONTAIN ERRORS IN FIELDS WHICH PROHIBIT CLASSIFICATION WILL AUTOMATICALLY BE PLACED INTO THIS CATEGORY BY DEFAULT.**

3-4 Computation of Standard Per Diem Rate for Nursing Facilities

A standard per diem base rate will be established annually, unless this plan requires a rate being calculated at another time, for the period January 1 through December 31. A case mix adjustment will be made quarterly based on the MDS forms submitted by each facility in accordance with other provisions of this plan. Cost

reports used to calculate the base rate will be the cost report filed for the period ending in the second calendar year prior to the beginning of the calendar rate year. For example, the base rates effective January 1, 2015 will be determined from cost reports filed for the year ended June 30, 2013 for state owned facilities, for the year ended September 30, 2013 for county owned facilities and for the year ended December 31, 2013 (or other approved year-end) for all other facilities, unless a short period cost report and rate calculation are required by other provisions of this plan.

A description of the calculation of the per diem rate is as follows:

A. Direct Care Base Rate and Care Related Rate

Determination

Direct care costs include salaries and fringe benefits for registered nurses (RN's), (excluding the Director of Nursing, the Assistant Director of Nursing and the Resident Assessment Instrument (RAI) Coordinator); licensed practical nurses (LPN's); nurse aides; respiratory therapists; feeding assistants; contract RN's, contract LPN's, and contract nurse aides; contract respiratory therapists; contract feeding assistants; medical supplies and other direct care supplies; medical waste disposal; and allowable drugs.

x 80%) to equal a minimum of eighty percent (80%) occupancy. Reserved bed days will be counted as an occupied bed for this computation. Facilities having an occupancy rate of less than eighty percent (80%) should complete Form 14 when submitting their cost report.

3-7 State Owned NF's

NF's that are owned by the State of Mississippi will be included in the rate setting process described above in order to calculate a prospective rate for each facility. However, state owned facilities will be paid based on 100% of allowable costs, subject to the Medicare upper limit. A state owned NF may request that the per diem rate be adjusted during the year based on changes in their costs. After the state owned NF's file their cost report, the per diem rate for each cost report period will be adjusted to the actual allowable cost for that period, subject to the Medicare upper limit.

3-8 Adjustments to the Rate for Changes in Law or Regulation

Adjustments may be made to the rate as necessary to comply with changes in state or federal law or regulation.

3-9 Upper Payment Limit

Non-state government owned or operated NF's will be reimbursed in accordance with the applicable regulations regarding the Medicaid upper payment limit. For each facility, the amount that Medicare would have paid for the previous year will be calculated and compared to payments actually made by Medicaid during that same time period. The calculation will be made as follows: MDS data is run for a sample population of each facility to group patient days into one of the Medicare RUGS. An estimated amount that Medicare would have paid on average by facility is calculated by multiplying each adjusted RUG rate by the number of days for that RUG. The sum is then divided by the total days for the estimated average per diem by facility that Medicare would have paid, from this amount, the Medicaid average per diem for the time period is subtracted to determine the UPL balance as a per diem. The per diem is then multiplied by the Medicaid days for the period to calculate the available UPL balance amount for each facility. This calculation will then be used to make payment for the current year to nursing facilities eligible for such payments in accordance with applicable regulations regarding the Medicaid upper payment limit. 100 percent of the calculated UPL, will be paid to non-state government - owned or operated facilities, in accordance with applicable state and federal laws and regulations, including any provisions specified in appropriations by the Mississippi Legislature.

CHAPTER 4

RATE COMPUTATION - ICF/IID'S

4-1 Rate Computation - ICF/IID's - General Principles

It is the intent of the Division of Medicaid to reimburse Intermediate Care Facilities for Individuals with Intellectual Disabilities a rate that is adequate for an efficiently and economically operated facility. An efficiently and economically operated facility is defined as one with direct care costs, therapy costs, care related costs, and administrative and operating costs less than 110% of the median and an occupancy rate of 80% or more.

4-2 Computation of Rate for Intermediate Care Facilities for Individuals with Intellectual Disabilities

A per diem rate will be established annually for the period January 1 through December 31, unless this plan requires a rate being calculated at another time. Cost reports used to calculate the rate will be the cost report filed for the period ending in the second calendar year prior to the beginning of the next calendar rate year, unless this plan requires a short period cost report to be used to compute the facility rate. For example, the rates effective January 1, 2015 will be determined from cost reports filed for the cost report year ended in 2013 unless a short period cost report and rate calculation is required by other provisions of this plan. Costs used in the rate calculations may be adjusted by the amount of anticipated increase in costs or decrease in costs due to federal or state laws or regulations.

A description of the calculation of the rate is as follows:

A. Direct Care, Therapies, Care Related, and Administrative and Operating Rate Determination

1. Determine the per diem cost for direct care costs, therapies, care related costs, and administrative and operating costs for each facility during the cost report period. This is done by adding the total allowable costs for these cost centers and dividing the result by the total patient days.
2. Trend each facility's per diem cost as determined in 1, above, to the middle of the rate year using the ICF/IID and PRTF Trend Factor. This is done by multiplying the ICF/IID and PRTF Trend Factor in order to trend costs forward from the

administrative and operating costs, the per diem property payment, and the per diem return on equity payment.

E. State Owned ICF-IID's

ICF-IID's that are owned by the State of Mississippi will be included in the rate setting process described above in order to calculate a prospective rate for each facility. However, state owned facilities will be paid based on 100% of allowable costs, subject to the Medicare upper limit. A state owned ICF-IID may request that the per diem rate be adjusted during the year based on changes in their costs. After the state owned ICF-IID's file their cost report, the per diem rate for each cost report period will be adjusted to the actual allowable cost for that period.

F. Adjustments to the Rate for changes in Law or Regulation Adjustments may be made to the rate as necessary to comply with changes in state or federal law or regulation.

CHAPTER 5**RATE COMPUTATION - PSYCHIATRIC RESIDENTIAL TREATMENT FACILITIES****5-1 Rate Computation-Psychiatric Residential Treatment Facilities (PRTF's)**
- General Principles

It is the intent of the Division of Medicaid to reimburse Psychiatric Residential Treatment Facilities (PRTF's) a rate that is adequate for an efficiently and economically operated facility. An efficiently and economically operated facility is defined as one with direct care costs, therapy costs, care related costs, and administrative and operating costs less than 110% of the median, and an occupancy rate of 80% or more.

5-2 Rate Computation for PRTF's

A per diem rate will be established annually, unless this plan requires a rate being calculated at another time, for the period January 1 through December 31, unless this plan requires a rate being calculated at another time. Cost reports used to calculate the rate will be the cost report filed for the period ending in the second calendar year prior to the beginning of the calendar rate year, unless this plan requires a short period cost report to be used to compute

the facility rate. For example, the rates effective January 1, 2001 will be determined from cost reports filed for the cost report year ended in 1999 unless a short period cost report and rate calculation is required by other provisions of this plan. Costs used in the rate calculations may be adjusted by the amount of anticipated increase in costs or decrease in costs due to federal or state laws or regulations.

A description of the calculation of the rate is as follows:

A. Direct Care, Therapies, Care Related, and Administrative and Operating
Rate Determination

1. Determine the per diem cost for direct care costs, therapies, care related costs, and administrative and operating costs for each facility during the cost report period. This is done by adding the total allowable costs for these cost centers and dividing the result by the total patient days.
2. Trend each facility's per diem cost as determined in 1, above, to the middle of the rate year using the ICF/IID and PRTF Trend Factor. This is done by multiplying the ICF/IID and PRTF Trend Factor in order to trend costs forward from the mid-point of the cost report period to the mid-point of the payment period.

D. Total Rate

The annual

rate is the sum of the per diem rate for direct care costs, therapies, care related costs and administrative and operating costs, the per diem property payment, and the per diem return on equity payment.

E. State Owned PRTF¹s

PRTF¹s that are owned by the State of Mississippi will be included in the rate setting process described above in order to calculate a prospective rate for each facility. However, state owned facilities will be paid based on 100% of allowable costs, subject to the Medicare upper limit. A state owned PRTF may request that the per diem rate be adjusted during the year based on changes in their costs. After the state owned PRTF's file their cost report, the per diem rate for each cost report period will be adjusted to the actual allowable cost for that period.

F. Adjustments to the Rate for Changes in Law or Regulation

Adjustments may be made to the rate as necessary to comply with changes in state or federal law or regulation.