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State/Territory Name: Missouri

State Plan Amendment (SPA) MO: 22-0028

This file contains the following documents in the order listed:

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
Center for Medicaid & CHIP Services
233 North Michigan Ave., Suite 600
Chicago, Illinois 60601

Financial Management Group

November 21, 2022

Robert Knodell
Acting Director
Missouri Department of Social Services
Broadway State Office Building
PO Box 1527
Jefferson City, MO 65102

RE: TN 22-0028

Dear Mr. Knodell:

We have reviewed the proposed Missouri State Plan Amendment (SPA) to Attachment 4.19-B, MO-22-0028, which was received by the Centers for Medicare & Medicaid Services (CMS) on August 30, 2022. This SPA establishes the reimbursement methodology for the outpatient direct Medicaid payment.

Based upon the information provided by the State, we have approved the amendment with an effective date of July 1, 2022. We are enclosing the approved CMS-179 and a copy of the new state plan page.

If you have any additional questions or need further assistance, please contact Robert Bromwell at (410) 786-5914 or robert.bromwell@cms.hhs.gov.

Sincerely,

[redacted]

Todd McMillion
Director
Division of Reimbursement Review

Enclosures

DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICES

FORM APPROVED
OMB NO. 0938-0193

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES

1. TRANSMITTAL NUMBER: 22-0028
2. STATE: MO
3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT — (●) XIX ( ) XXI
TO: CENTER DIRECTOR
CENTERS FOR MEDICAID & CHIP SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES
4. PROPOSED EFFECTIVE DATE: July 1, 2022
5. FEDERAL STATUTE/REGULATION CITATION: 42 CFR 447 Subpart F
6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)
a. FFY 2022 $ 6,702,841
b. FFY 2023 $ 19,941,869
7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19 B - page 2
8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT *(If Applicable)*: Attachment 4.19 B - page 2

9. SUBJECT OF AMENDMENT
This State Plan Amendment establishes the Outpatient Direct Medicaid Payment methodology.

10. GOVERNOR'S REVIEW *(Check One)*
(●) GOVERNOR'S OFFICE REPORTED NO COMMENT
( ) COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
( ) NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL
(●) OTHER, AS SPECIFIED

11. SIGNATURE OF STATE AGENCY OFFICIAL: [redacted]
12. TYPED NAME: Robert J. Knodell
13. TITLE: Acting Director
14. DATE SUBMITTED: 08.25.2022
15. RETURN TO

FOR CMS USE ONLY

16. DATE RECEIVED: August 30, 2022
17. DATE APPROVED: November 21, 2022

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL: July 1, 2022
19. SIGNATURE OF APPROVING OFFICIAL: [redacted]
20. TYPED NAME OF APPROVING OFFICIAL: Todd McMillion
21. TITLE OF APPROVING OFFICIAL: Director, Division of Reimbursement Review
22. REMARKS

I. Outpatient Direct Medicaid Payment

A. In-state hospitals receive an outpatient Direct Medicaid payment to account for the outpatient cost of the Federal Reimbursement Allowance (FRA) assessment attributable to Medicaid participants.

B. The outpatient Direct Medicaid Payment will be calculated as follows:

1. The Medicaid share of the outpatient FRA assessment will be calculated by dividing the hospital's outpatient Medicaid charges, fee-for-service (FFS) and managed care (MC), by the total outpatient hospital charges, FFS and MC, from the base year cost report to arrive at the Medicaid utilization percentage. This percentage is then multiplied by the outpatient FRA assessment for the current state fiscal year (SFY) to arrive at the increased allowable Medicaid cost for the outpatient FRA assessment.

(a) Base year cost report: Audited Medicaid cost report from the third prior calendar year. If a facility has more than one (1) cost report with periods ending in the third prior calendar year, the cost report covering a full twelve (12) month period ending in the third prior calendar year will be used. If none of the cost reports cover a full twelve (12) months, the cost report with the latest period ending in the third prior calendar year will be used. If a hospital's base year cost report is less than or greater than a twelve (12) month period, the data shall be adjusted, based on the number of days reflected in the base year cost report to a twelve (12) month period. Any changes to the base year cost report after the Division issues a final decision on assessment or payments will not be included in the calculations.

2. The FFS outpatient ratio will be calculated by dividing the hospital's outpatient FFS Medicaid charges by the hospital's outpatient Medicaid charges, FFS and MC. This ratio is then multiplied by the increased allowable Medicaid cost for the outpatient FRA assessment to arrive at the FFS direct Medicaid payment.

C. The outpatient Direct Medicaid Payment for new hospitals will be calculated as follows:

1. In the absence of adequate cost data, a new hospital's Medicaid share of the outpatient FRA assessment shall be 100% (one hundred percent) of the weighted average statewide Medicaid utilization percentage, as calculated in paragraph (1)(B)1., for the hospital type (i.e. acute care hospital, psychiatric hospital, long term care hospital, rehabilitation hospital). This percentage is then multiplied by the outpatient FRA assessment for the current SFY to arrive at the increased allowable Medicaid cost for the outpatient FRA assessment.

2. In the absence of adequate cost data, a new hospital's FFS outpatient ratio shall be 100% (one hundred percent) of the weighted average statewide FFS outpatient ratio, as calculated in paragraph (1)(B)2., for the hospital type (i.e. acute care hospital, psychiatric hospital, long term care hospital, rehabilitation hospital). This ratio is then multiplied by the increased allowable Medicaid cost for the outpatient FRA assessment to arrive at the FFS direct Medicaid payment.

D. The annual outpatient Direct Medicaid Payment will be calculated for each hospital at the beginning of each state fiscal year (SFY). The annual amount will be processed over the number of financial cycles during the SFY.