

State of Mississippi
Title XIX Inpatient Hospital Reimbursement Plan

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- 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.

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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 include costs of treating Medicaid-eligible patients with additional third-party coverage, including Medicare, along with the offsetting Medicare and third party payments. .

- 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

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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 distribution, negative or positive, that will be with the next DSH payment but based on the DSH calculation for the DSH payment year. All DSH payments are subject to the State's lower DSH payment limit.