

PUBLIC NOTICE

Under the provisions of Section 447.205, Title 42, Code of Federal Regulations, public notice is hereby given for the submission of a Mississippi Medicaid State Plan Amendment (SPA). Effective February 1, 2016, the Mississippi Division of Medicaid, in the Office of the Governor, will provide coverage for inpatient hospital bariatric surgery and related services in accordance with 42 C.F.R. § 447.201 and Miss. Code Ann. § 43-13-117, our Transmittal # 16-001.

1. Mississippi Medicaid SPA 16-001 Bariatric Surgery Services proposes to cover inpatient hospital bariatric surgery and related services when prior authorized as medically necessary to treat medical conditions caused or worsened by the beneficiary's obesity. The proposed payment methodology is an all-inclusive bariatric surgery case rate which includes preoperative, intraoperative and postoperative services up to twelve (12) months related to the bariatric surgery.
2. The proposed SPA is estimated to result in increased total Medicaid expenditures of approximately \$14,325,534 annually with \$3,700,285 in state dollars and \$10,625,249 in federal dollars. This estimate is calculated based on if five percent (5%) of the beneficiaries with a Body Mass Index (BMI) greater than or equal to (\geq) forty (40) and a BMI greater than or equal to (\geq) to thirty-five (35) with at least one (1) comorbidity receives inpatient hospital bariatric surgery and related services.
3. This SPA is being submitted to help improve or resolve many obesity-related conditions, such as type 2 diabetes, high blood pressure, heart disease, and more, because the state of Mississippi is currently ranked as third in the nation in obesity at a rate in excess of thirty-five (35%). 42 C.F.R. § 447.201 requires the Division of Medicaid to submit a SPA describing the policy and methods used in setting payment rates for each type of service included in the Mississippi State Plan.
4. A copy of the proposed SPA will be available in each county health department office and in the Department of Human Services office in Issaquena County for review.
5. Written comments will be received by the Division of Medicaid, Office of the Governor, Office of Policy, Walter Sillers Building, Suite 1000, 550 High Street, Jackson, Mississippi 39201, or Margaret.Wilson@medicaid.ms.gov for thirty (30) days from the date of publication of this notice. Comments will be available for public review at the above address and on the Division of Medicaid's website at www.medicicaid.ms.gov.
6. A public hearing on this SPA will not be held.

David J. Dzielak, Ph.D.
Executive Director
Division of Medicaid
Office of the Governor

November 20, 2015

State of Mississippi
Title XIX Inpatient Hospital Reimbursement Plan

**CHAPTER 4
REIMBURSEMENT**

4-1 Payment Methodology Effective October 1, 2012

A. Applicability

Except as specified in this paragraph, the inpatient prospective payment method applies to all inpatient stays in all acute care general, rehabilitation and mental health (psychiatric/substance abuse treatment) hospitals. It does not apply to stays where Medicare is the primary payer or to “swing bed” stays. It also does not apply to Indian Health Services hospitals, where payment is made on a per-diem basis per federal law. Effective February 1, 2016, it also does not apply to bariatric surgery and related bariatric surgery services (refer to page 73-74).

B. Primacy of Medicaid Policy

Many features of the Medicaid inpatient prospective payment method are patterned after the similar method used by the Medicare program. When specific details of the payment method differ between Medicaid and Medicare the Medicaid reimbursement methodology described here-in prevails.

C. APR-DRG Reimbursement

For admissions dated October 1, 2012 and after, the Division of Medicaid will reimburse all hospitals a per stay rate based on All Patient Refined Diagnosis Related Groups (APR-DRGs). APR-DRGs classify each case based on information contained

Title XIX Inpatient Hospital Reimbursement Plan

Bariatric Surgery

Payment for bariatric surgery is made as follows:

The inpatient hospital where the bariatric surgery is performed is paid a Mississippi Medicaid bariatric surgery case rate. The bariatric surgery case rate includes all care related to the bariatric surgery and up to twelve (12) months post-surgery including, but is not limited to:

Preoperative services:

1. One (1) surgery visit after the decision is made to operate,
2. All surgical care one (1) day prior to and on the day of the bariatric surgery but prior to the bariatric surgery,
3. All anesthesia services,
4. Testing, if required, including, but not limited to:
 - Electrocardiogram (EKG)
 - Chest x-ray (technical and professional)
 - Esophagogastroduodenoscopy (EGD)
 - Labs (technical and professional),
5. Psychological evaluation,
6. Surgical education class,
7. Nutritional counseling, and
8. Coordination with medical care team primarily regarding transition care of diabetes, hypertension and evaluating for possible surgical complication.

Intraoperative:

1. All surgical intraoperative care including the services of the bariatric surgeon and assistant surgeon,
2. All anesthesia services, and
3. Miscellaneous services directly related to the surgery.

Postoperative for ninety (90) days:

1. All surgical care, beginning the day after surgery, including any hospital readmissions for complications of the bariatric surgery including any surgeon visits including, but not limited to, the removal of sutures, staples, drains, tubes, and packs. Any wound care or dressing changes conducted by the surgeon or their staff. Any care required of the surgeon due to postoperative complications or problems that do not require the beneficiary to be taken back to the operating room for further procedures, and
2. All anesthesia services.

Postoperative for twelve (12) months:

1. Outpatient testing, including, but not limited to:
 - Diagnostic radiology (technical and professional)
 - Labs (technical and professional),
2. Nutritional Counseling,

Title XIX Inpatient Hospital Reimbursement Plan

3. All bariatric surgery follow-up visits including, but not limited to:
 - Phone calls,
 - Face- to-face visits,
 - Telemonitoring,
4. Pain management,
5. Coordination with medical care team regarding transition care of diabetes, hypertension and evaluating for possible surgical complication,
6. Exercise appointment with an exercise physiologist and services of a fitness trainer and gym or similar facility that is tailored to meet the needs of bariatric beneficiaries,
7. Costs associated with vitamins or other supplements required,
8. Supplies used to treat any postoperative surgical complications or treatments directly related to the surgery only, and
9. Any post-surgical complications related to the bariatric surgery.

The bariatric surgery case rate is \$25,673 per case and will be reimbursed in two (2) separate payments. The initial payment of \$23,591, which includes the bariatric surgery itself, as well as certain preoperative and postoperative care, as outlined in the Mississippi Administrative Code Title 23, will be reimbursed after hospital discharge. The second payment of \$2,082, which includes costs for covered services delivered up to twelve (12) months after hospital discharge, as outlined in the Mississippi Administrative Code Title 23, will be reimbursed at the end of the twelve (12) month period. If a beneficiary becomes ineligible for Medicaid anytime during the post-operative period, the second payment will be prorated for the number of days the beneficiary was Medicaid eligible in the post-surgical year.

The Mississippi Medicaid bariatric surgery case rate was calculated by an actuarial firm using existing Division of Medicaid inpatient hospital APR-DRG (403) base payment, outpatient physician reimbursement rates, and detailed bariatric surgery utilization patterns for beneficiaries of another state Medicaid program. The actuarial firm then adjusted the detailed utilization patterns to be consistent with the set of services to be covered and described in the Mississippi Administrative Code Title 23 and applied the existing Division of Medicaid reimbursement rates to the utilization patterns to develop the bariatric surgery case rate. For covered services without existing Division of Medicaid rates, the actuarial firm developed proxy costs using either ninety percent (90%) of Medicare fees in Mississippi or market-based cost for items such as vitamins, exercise training, and gym membership. The Mississippi Medicaid bariatric surgery case rate is updated when the APR-DRG 403 base payment is updated. The percentage change in the APR-DRG 403 base payment would be applied to the bariatric surgery case rate.

Medically necessary covered services not included in the bariatric surgery case rate are reimbursed the current applicable Mississippi Medicaid fee for the service.

State of Mississippi
Title XIX Inpatient Hospital Reimbursement Plan

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- 8 Coordination with medical care team primarily regarding transition care of diabetes, hypertension and evaluating for possible surgical complication.

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