

PUBLIC NOTICE

June 28, 2016

Pursuant to 42 C.F.R. Section 447.205, public notice is hereby given to the submission of a Medicaid State Plan Amendment (SPA). The Division of Medicaid, in the Office of the Governor, is submitting SPA 16-0017 Outpatient Prospective Payment System (OPPS) Update. Effective July 1, 2016, the Division of Medicaid will make a revision to the hospital Outpatient Prospective Payment System (OPPS), our Transmittal #16-0017.

1. Mississippi Medicaid SPA 16-0017 is being submitted to clarify the Medicare Ambulatory Payment Classification (APC) used to compute the observation code G0378 fee and the Medicare Average Sales Price (ASP) drug pricing file used to compute chemotherapy drug code fees effective July 1, 2016.
2. The expected annual economic impact is \$909,677 in Federal dollars and \$306,859 in State dollars.
3. The Division of Medicaid is submitting this SPA for two (2) reasons:
 - a) The Centers for Medicare and Medicaid Services (CMS) deleted APC 8009 which corresponded to the Division of Medicaid's observation fee G0378. The Division of Medicaid is replacing the APC 8009 with an APC code which corresponds to the description of an extended assessment and management encounter, and
 - b) To clarify that the reimbursement for chemotherapy drugs and concomitant non-chemotherapy drugs is the amount listed on the most recent final Medicare Average Sales Price (ASP) Drug Pricing File, titled Payment Allowance Limits for Medicare Part B, published by CMS as of April of each year. The ASP files are one-hundred six percent (106%) of the ASP calculated from data submitted by drug manufacturers.
4. A copy of the proposed plan amendment will be available in each county health department office and in the Department of Human Services office in Issaquena County for review. A hard copy can be downloaded and printed from www.medicaid.ms.gov or may be requested at Margaret.Wilson@medicaid.ms.gov or 601-359-2081.
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.medicaid.ms.gov.
6. A public hearing on this SPA will not be held.

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Methods and Standards for Establishing Payment Rates – Other Types of Care

Hospital Outpatient Drugs

- a. Drugs paid outside the Outpatient Prospective Payment System (OPPS) / Ambulatory Payment Classification (APC) rate will be reimbursed by a Medicare fee. If there is no Medicare fee the drug will be reimbursed using a MS Medicaid fee.
- b. The APC and the Medicare fees on the MS Medicaid OPPS fee schedule will be calculated based on the most recent final Medicare outpatient Addendum B and C published by the Centers for Medicare and Medicaid Services (CMS) as of April 1 of each year. The MS Medicaid OPPS fee schedule is effective July 1 with no retroactive adjustments.
- c. Chemotherapy drugs and concomitant non-chemotherapy drugs administered during the chemotherapy treatment billed on the same claim as the chemotherapy treatment will be paid a MS Medicaid specific fee. The MS Medicaid specific fee will be ~~calculated~~ the amount listed on using the Medicare Average Sales Price (ASP) plus six percent (6%) based on the most recent final Medicare Average Sales Price (ASP) Drug Pricing Files, titled Payment Allowance Limits for Medicare Part B, –published by CMS as of April 1 of each year. The ASP files are 106 percent of the ASP calculated from data submitted by drug manufacturers. The MS Medicaid specific fee is effective July 1 with no retroactive adjustments.
- d. If there is no APC relative weight, Medicare payment rate, MS Medicaid fee or ASP for a drug, reimbursement is made at one-hundred percent (100%) of the provider's acquisition cost.
- e. All fees are published on the agency's website at ~~www.medicaid.ms.gov/FeeScheduleLists.aspx~~ <https://medicaid.ms.gov/providers/fee-schedule-s-and-rates/#>.

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OPPS fee schedule rates are the same for both governmental and private providers of hospital outpatient services. The MS Medicaid OPPS fee schedule is set and updated each year as of July 1 and is effective for services provided on or after that date.

- c. Subject to documentation of medical necessity, in addition to any Medicaid covered service received during observation in an outpatient hospital setting, DOM will pay an hourly fee for each hour of observation exceeding seven (7) hours, up to a maximum of twenty-three (23) hours (i.e., the maximum payment will be sixteen (16) hours times the hourly fee). Documentation requirements for medical necessity regarding observation services can be found in the MS Administrative Code Title 23 Medicaid, Part 202 Hospital Services, Chapter 2 Outpatient Hospital, Rule 2.4: Outpatient (23-Hour) Observation Services as of April 1, 2012, located at www.medicaid.ms.gov/AdminCode.aspx. The hourly fee for observation is calculated based on the relative weight for the Medicare APC 8009 which corresponds with an extended assessment and management encounter multiplied by the current Jackson, MS Medicare conversion factor divided by the twenty-three (23) maximum payable hours. ~~Documentation requirements for medical necessity regarding observation services can be found in the MS Administrative Code Title 23 Medicaid, Part 202 Hospital Services, Chapter 2 Outpatient Hospital, Rule 2.4: Outpatient (23-Hour) Observation Services as of April 1, 2012, located at www.medicaid.ms.gov/AdminCode.aspx.~~ The MS Medicaid OPPS fee schedule is set and updated each year as of July 1 and is effective for services provided on or after that date. All fees are published on the agency's website at ~~<http://www.medicaid.ms.gov/FeeScheduleLists.aspx>~~ <https://medicaid.ms.gov/providers/fee-schedules-and-rates/#>.
- d. The total claim allowed amount will be the lower of the provider's allowed billed charges or the calculated Medicaid OPPS allowed amount.
- e. A MS Medicaid OPPS status indicator is assigned to each procedure code determining

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payment under Medicaid OPPS. The full list of MS Medicaid OPPS status indicators and definitions is found on Attachment 4.19-B, page 2a.6.

- f. Claims with more than one (1) significant procedure, assigned a MS Medicaid OPPS status indicator “T” or “MT”, are discounted. The line item with the highest allowed amount on the claim for certain significant procedures identified on the MS OPPS fee schedule

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- e. A MS Medicaid OPPS status indicator is assigned to each procedure code determining payment under Medicaid OPPS. The full list of MS Medicaid OPPS status indicators and definitions is found on Attachment 4.19-B, page 2a.6.
- f. Claims with more than one (1) significant procedure, assigned a MS Medicaid OPPS status indicator "T" or "MT", are discounted. The line item with the highest allowed amount on the claim for certain significant procedures identified on the MS OPPS fee schedule