State Plan Amendment (SPA) and Waiver Updates

No new updates.
AUGUST MEETING FOLLOW UP
DATA REQUEST
# Average Expenditures for Early, Late, and Full Term Pregnancies

<table>
<thead>
<tr>
<th></th>
<th>Early Pre-Term</th>
<th>Late Pre-Term</th>
<th>Full Term</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Mother</strong></td>
<td>13,878.35</td>
<td>$13,445.38</td>
<td>$9,600.97</td>
</tr>
<tr>
<td><strong>Infant</strong></td>
<td>$90,014.60</td>
<td>$15,942.31</td>
<td>$5,347.75</td>
</tr>
<tr>
<td><strong>Total w/o 17-P</strong></td>
<td>$103,892.95</td>
<td>$29,387.69</td>
<td>$14,948.72</td>
</tr>
<tr>
<td><strong>17-P Estimated Cost</strong></td>
<td>$10,200.00</td>
<td>$10,200.00</td>
<td>–</td>
</tr>
<tr>
<td><strong>Total w/17-P</strong></td>
<td>$114,092.95</td>
<td>$39,587.69</td>
<td>$14,948.72</td>
</tr>
</tbody>
</table>
Estimated Cost for Providing 1 Year of State Plan Coverage for Postpartum Woman

$6,157.04

Estimated Cost for Providing 1 Year of Family Planning Waiver Services for Postpartum Woman

$309.14
Estimated Cost to Provide 1 Year of State Plan Services to Women Who Had a Pre-Term Birth in CY2016

$10,953,374.16

($6,157.04 \times 1,779)$
MS Medicaid Hospital Funding

September 21, 2017

MISSISSIPPI DIVISION OF MEDICAID
Hospital Tax Collections, FY 2017:

- DSH $56,847,518
- MHAP $135,863,327
- General $104,000,000

Total Contributions $296,710,845

Percent of Overall Funding

<table>
<thead>
<tr>
<th></th>
<th>State</th>
<th>Total</th>
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<tbody>
<tr>
<td></td>
<td>12.88%</td>
<td>3.26%</td>
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</tbody>
</table>
Hospital Tax

• Miss. Code Ann. § 43-13-145
• Imposed on each 2013 non-Medicare hospital inpatient day for hospitals licensed in MS and Region One Hospital in Memphis.
• Tax components:
  • State share DSH payments
  • State share MHAP payments $104M to fund Medicaid program
Intergovernmental Transfers

IGT
Money transfer from local government entity to the State

• Used as non-Federal share of Medicaid payments
• Received from agencies with State legislative appropriations
  o Institutions of Higher Learning and Department of Mental Health
• Used to pay provider taxes from all governmental hospitals
What is FMAP?

Federal Medical Assistance Percentage

- Used to calculate federal matching funds for state medical services expenditures
- Set annually by formula comparing state’s average per capita income level with national income
- By law, between 50% and 83%
- FFY17 = 74.63%
- FFY18 = 75.65%
- FFY19 = 76.20% (projected)

MS has highest federal matching rate at 74.63%.
<table>
<thead>
<tr>
<th>Payments</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inpatient Claims with GME</td>
<td>$685,358,239</td>
</tr>
<tr>
<td>Outpatient Claims</td>
<td>$542,745,484</td>
</tr>
<tr>
<td>MHAP Payments</td>
<td>$533,110,956</td>
</tr>
<tr>
<td>DSH Payments</td>
<td>$224,073,780</td>
</tr>
<tr>
<td>SFY 2017 Total</td>
<td>$1,985,288,459</td>
</tr>
</tbody>
</table>
Hospital Inpatient Payments
APR-DRG Methodology

All Patient Refined Diagnostic Related Group (APR-DRG)
Propective payment system whereby hospitals are paid an amount per stay based on diagnosis and procedure codes billed on claim:
• Effective 10/1/2012
• Approx. $685M annual payments
Hospital Outpatient Payments
OPPS/APC Methodology

Outpatient Prospective Payment System
Prospective payment similar to Medicare that classifies all hospital outpatient services into Ambulatory Payment Classifications (APCs)

Ambulatory Payment Classifications
Coding system hospitals use to bill rendered services
- Effective 9/1/12
- Approx. $543M in annual payments

For a single patient visit, the hospital can receive several separate payments for each line of service using a fee schedule.
Graduate Medical Education

GME
Payments reimburse hospitals for education and training of medical residents

• 6 hospitals receive GME add-on payments
• Approx. $37M payments in FY17
## DSH Payments

**Disproportionate Share Hospital**
Payments to MS hospitals that satisfy minimum federal DSH eligibility requirements, designed to compensate for uninsured and Medicaid shortfall

<table>
<thead>
<tr>
<th>DSH Qualifying Criteria</th>
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<tbody>
<tr>
<td>1. Hospital must have 2 obstetricians with staff privileges who agree to provide obstetric services to Medicaid-eligible individuals during DSH year; OR</td>
</tr>
<tr>
<td>2. Hospital is exempt from #1 above because inpatients are predominately under 18 years of age; OR</td>
</tr>
<tr>
<td>3. Hospital is exempt from #1 above because it did not offer non-emergency obstetric services to the general population when federal Medicaid DSH regulations were enacted on 12/22/87.</td>
</tr>
</tbody>
</table>

**AND**

- Hospital’s Medicaid inpatient utilization rate (MIUR) must be not less than 1%; OR

- Hospital’s low-income utilization rate (LIUR) exceeds twenty-five (25%) percent.
DSH Allotments

CMS determines the annual DSH pool for each state. The 2017 federal allotment was $167,226,262.

The FY 2018 ACA federal DSH reduction for Mississippi is expected to be approximately $18 million.

Each hospital’s DSH payment:
• Subject to payment limitations. If non-DSH payments exceed the limit, no DSH dollars may be paid.
• Estimated and subject to audit.
DSH Payments

How are DSH payments made to hospitals?

In three (3) equal installments in December, March, and June.

- Hospitals
  - Tax invoices are sent
  - Hospital taxes due to DOM no later than the 15th of the month

- DOM
  - Upon receipt of all taxes DOM submits request to fiscal agent to issue DSH payouts via financial transaction

- Conduent Government Healthcare Solutions (DOM Fiscal Agent)
  - Conduent makes DSH payments to each eligible hospital

Responsibly providing access to quality health coverage for vulnerable Mississippians
Mississippi Hospital Access Program

MHAP

• In accordance with MS state law, implemented 12/1/15 to incorporate $533,110,956 of state directed pass-through payments to hospitals into managed care rate development
• Replaces UPL program previously implemented under fee for service
• CMS requirement to phase out pass through payments over 10 years with first 10% reduction in SFY19
• Funds to be transitioned to payments tied to utilization, quality and outcomes