



June 24, 2019

Delivered via E-mail

Dear Hospital Administrators and CFOs,

The Mississippi Division of Medicaid (DOM) reviews hospital inpatient policy and payment factors annually. For State Fiscal Year 2020 DOM will be making the following changes to adjust for yearly charge inflation:

- The statewide DRG base price will change from \$6,585 to \$6,574.
- The DRG cost outlier threshold will change from \$45,000 to \$47,000.

This notice supersedes the notice published May 20, 2019. DOM will **not** implement the following policy changes:

- Adjust the statewide DRG base price from \$6,585 to \$6,731.
- Adjust the neonate policy adjustor from 1.40 to 1.25.
- Adjust the pediatric mental health policy adjustor from 2.00 to 1.85.
- Adjust the adult mental health policy adjustor from 1.60 to 1.50.
- Adjust the DRG cost outlier threshold from \$45,000 to \$48,500.
- Adjust the DRG day outlier per diem from \$450 to \$675.

These revised updates are subject to approval from the Centers for Medicare and Medicaid Services (CMS) through the State Plan Amendment process and will take effect for hospital discharges on and after July 1, 2019. DOM estimates the overall impact of the changes will be a savings of \$22,538 in state and federal funds.

Due to significant changes in the clinical logic and relative weights from version 35 to version 36 of the 3M APR-DRG grouper, DOM will not update to version 36 on July 1, 2019. The changes to the logic and weights in version 36 would have a substantial impact on hospital reimbursement; as a result DOM has decided to remain on version 35 of the APR-DRG grouper and weights for an extra year in order to study how best to adapt to the new logic and weights.

The supplemental documents listed below will be available for download on DOM's website at <https://medicaid.ms.gov/providers/reimbursement/> by June 28, 2019.

- Updated DRG Pricing Calculator. This document is an Excel spreadsheet that enables the user to calculate expected payment. The file does not determine the APR-DRG assignment. However, it does include the list of APR-DRGs and associated relative weights.
- Updated APR-DRG Billing Quick Tips.
- APR-DRG 3M Grouper Settings.
- Frequently Asked Questions.

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Thank you for your attention regarding this matter.

Sincerely,

A handwritten signature in blue ink, appearing to read "D. Snyder". The signature is fluid and cursive, with a large initial "D" and a long, sweeping underline.

Drew L. Snyder
Executive Director