



June 3, 2020

**Delivered via E-mail**

Dear Hospital Administrators and CFOs,

The Mississippi Division of Medicaid (DOM) reviews APR-DRG policy and payment factors annually with the goal of strategically aligning the inpatient hospital methodology for long-term sustainability. This year's annual review has resulted in the updates listed below. The APR-DRG updates are subject to CMS approval through the State Plan Amendment process. These updates will take effect July 1, 2020. DOM estimates the overall impact of these changes will be a savings of \$2,846,599 in state and federal funds.

**APR-DRG Changes:**

- The statewide DRG base price will change from \$6,574 to \$6,590.
- The pediatric mental health policy adjustor will change from 2.00 to 1.95.
- The adult mental health policy adjustor will change from 1.60 to 1.50.
- The DRG cost outlier threshold will change from \$47,000 to \$53,500.

Due to significant changes in the clinical logic and relative weights from version 35 to version 37 of the 3M APR-DRG grouper, DOM will not update to version 37 on July 1, 2020. The changes to the logic and weights in version 37 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 additional year in order to maintain stability in DRG payments. DOM will assess the impact of version 38 of the APR-DRG grouper and weights when they are released in October 2020 and will consider whether to update to that version or move to Mississippi specific weights.

DOM will offer two hospital reimbursement policy update sessions. The sessions will demonstrate results from the previous year of the APR-DRG payment method and outline the changes for July 1, 2020. DOM strongly encourages each hospital to participate in one of the sessions.

Follow the links below to register for the hospital reimbursement policy update sessions. (Please limit webinar attendance to one line per hospital.)

- **Tuesday, June 16, 2020, 9:00 A.M. – 10:30 A.M.**  
[Register](#)
- **Thursday, June 18, 2020, 2:00 P.M. – 3:30 P.M.**  
[Register](#)

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For additional information, please visit DOM's website at <https://medicaid.ms.gov/providers/reimbursement/>. The supplemental documents listed below will be available for download by Tuesday, June 16, 2020:

- Updated DRG Pricing Calculator.
- Updated APR-DRG Billing Quick Tips.
- Updated APR-DRG 3M Grouper Settings.
- June 2020 Hospital Reimbursement Policy Updates presentation.

The Frequently Asked Questions (FAQs) documents will be updated to the DOM webpage upon completion of the webinars to include questions submitted by providers during the hospital reimbursement policy update sessions.

Thank you for your attention regarding this matter.

Sincerely,

A handwritten signature in blue ink that reads "Drew Snyder". The signature is written in a cursive style with a large initial "D" and "S".

Drew L. Snyder  
Executive Director