

PUBLIC NOTICE

June 1, 2020

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 20-0003 All Patient Refined Diagnosis Related Groups (APR-DRG) Reimbursement to update the hospital inpatient payment methodology with an effective date of July 1, 2020 contingent upon approval from the Centers for Medicare and Medicaid Services (CMS). This proposed SPA is to comply with approved SPA 2012-008, our Transmittal # 20-0003.

1. Mississippi Medicaid SPA 20-0003 APR-DRG Reimbursement contains the following updates to hospital inpatient services effective July 1, 2020:
 - a. The following APR-DRG parameters will be updated for discharges on and after July 1, 2020:
 - The base payment 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.
2. The estimated annual aggregate expenditures of the Division of Medicaid relative to simulations of APR-DRG State Fiscal Year 20 overall, calculated on a Federal Fiscal Year (FFY) basis, are expected to be a savings of \$163,822 in state funds and \$547,828 in federal funds for FFY-20 and savings of \$633,084 in state funds and \$2,213,515 in federal funds for FFY-21. DOM will use this savings of \$2,846,599 in state and federal funds to fund an increase in payments for outpatient community-based mental health services
3. SPA 2020-0003 APR-DRG requires the Division of Medicaid to submit a SPA for changes to the APR-DRG hospital inpatient payment methodology.
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. A hard copy can be downloaded and printed from www.medicaid.ms.gov, or requested at 601-359-5248 or by emailing at Margaret.Wilson@medicaid.ms.gov.
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.

State of Mississippi
Title XIX Inpatient Hospital Reimbursement Plan

APPENDIX A

APR-DRG KEY PAYMENT VALUES

The table below reflects key payment values for the APR-DRG payment methodology described in this Plan. These values are effective for discharges on and after July 1, 2020.

<u>Payment Parameter</u>	<u>Value</u>	<u>Use</u>
3M™ APR-DRG version	V.35	Groups every claim to a DRG
DRG base price	\$6,590	Rel. wt. X DRG base price = DRG base payment
Policy adjustor – obstetrics and normal newborns	1.50	Increases relative weight and payment rate
Policy adjustor – neonate	1.40	Increases relative weight and payment rate
Policy adjustor – mental health pediatric	1.95	Increases relative weight and payment rate
Policy adjustor – mental health adult	1.50	Increases relative weight and payment rate
Policy adjustor – Rehabilitation	2.00	Increases relative weight and payment rate
Policy adjustor – Transplant (adult and pediatric)	1.50	Increases relative weight and payment rate
DRG cost outlier threshold	\$53,500	Used in identifying cost outlier stays
DRG cost outlier marginal cost percentage	60%	Used in calculating cost outlier payment
DRG long stay threshold	19	All stays above 19 days require TAN on days
DRG day outlier statewide amount	\$450	Per diem payment for mental health stays over 19 days
Transfer status - 02 – transfer to hospital	02	Used to identify transfer stays
Transfer status - 05 –transfer other	05	Used to identify transfer stays
Transfer status – 07 – against medical advice	07	Used to identify transfer stays
Transfer status – 63 – transfer to long-term acute care hospital	63	Used to identify transfer stays
Transfer status – 65 – transfer to psychiatric hospital	65	Used to identify transfer stays
Transfer status – 66 – transfer to critical access hospital	66	Used to identify transfer stays
Transfer status – 82 – transfer to hospital with planned	82	Used to identify transfer stays
Transfer status – 85 – transfer to other with planned readmission	85	Used to identify transfer stays
Transfer status – 91 – transfer to long-term hospital with planned readmission	91	Used to identify transfer stays
Transfer status – 93 – transfer to psychiatric hospital with planned readmission	93	Used to identify transfer stays
Transfer status – 94 – transfer to critical access hospital with planned readmission	94	Used to identify transfer stays
DRG interim claim threshold	30	Interim claims not accepted if < 31 days
DRG interim claim per diem amount	\$850	Per diem payment for interim claims

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Policy adjustor – Rehabilitation	2.00	Increases relative weight and payment rate
Policy adjustor – Transplant (adult and pediatric)	1.50	Increases relative weight and payment rate
DRG cost outlier threshold	\$4753,0 <u>500</u>	Used in identifying cost outlier stays
DRG cost outlier marginal cost percentage	60%	Used in calculating cost outlier payment
DRG long stay threshold	19	All stays above 19 days require TAN on days
DRG day outlier statewide amount	\$450	Per diem payment for mental health stays over 19 days
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