

## PUBLIC NOTICE

April 15, 2021

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 21-0007 All Patient Refined Diagnosis Related Groups (APR-DRG) Reimbursement to update the hospital inpatient payment methodology with an effective date of July 1, 2021 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 # 21-0007.

1. Mississippi Medicaid SPA 21-0007 APR-DRG Reimbursement contains the following updates to hospital inpatient services effective July 1, 2021:
  - a. DOM will adopt V.38 of the 3M Health Information Systems (3M HIS) APR-DRG Grouper and Hospital-Specific Relative Value (HSRV) weights
  - b. Re-center V.38 HSRV weights to a population Case-Mix Index (CMI) of 1.0
  - c. The following APR-DRG parameters will be updated:
    - Base Payment – will change from \$6,590 to \$5,350
    - Pediatric mental health policy adjustor – will change from 1.95 to 1.90
    - Adult mental health policy adjustor – will change from 1.50 to 1.45
    - Obstetrics policy adjustor – will change from 1.50 to 1.40
    - Normal Newborn policy adjustor – will change from 1.50 to 1.45
    - DRG Cost Outlier Threshold – will change from \$53,500 to \$60,000
    - DRG Cost Outlier Marginal Percentage – will change from 60% to 50%
2. The estimated annual aggregate expenditures of the Division of Medicaid relative to simulations of APR-DRG State Fiscal Year 21 overall, calculated on a Federal Fiscal Year (FFY) basis, are expected to be a savings of \$8,445 in state funds and \$44,202 in federal funds for FFY-21 and savings of \$32,620 in state funds and \$177,968 in federal funds for FFY-22.
3. SPA 2012-008 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](http://www.medicaid.ms.gov), or requested at 601-359-5248 or by emailing at [Margaret.Wilson@medicaid.ms.gov](mailto: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](mailto: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](http://www.medicaid.ms.gov).
6. A public hearing on this SPA will be held on 10:00 a.m. Wednesday, May 6, 2021 via a conference line using the following call-in information:

Call in (Audio Only): 888-822-7517

Access code: 4282244 (enter when prompted)

**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, 2021.

<u>Payment Parameter</u>	<u>Value</u>	<u>Use</u>
3M™ APR-DRG version	V.38	Groups every claim to a DRG
DRG base price	\$5,350	Rel. wt. X DRG base price = DRG base payment
Policy adjustor – obstetrics	1.40	Increases relative weight and payment rate
Policy adjustor – normal newborns	1.45	Increases relative weight and payment rate
Policy adjustor – neonate	1.40	Increases relative weight and payment rate
Policy adjustor – mental health pediatric	1.90	Increases relative weight and payment rate
Policy adjustor – mental health adult	1.45	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	\$60,000	Used in identifying cost outlier stays
DRG cost outlier marginal cost percentage	50%	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

**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~~2021.

<u>Payment Parameter</u>	<u>Value</u>	<u>Use</u>
3M™ APR-DRG version	V.3538	Groups every claim to a DRG
DRG base price	\$ <del>6,590</del> 5,350	Rel. wt. X DRG base price = DRG base payment
Policy adjustor – obstetrics <del>and normal newborns</del>	1.5040	Increases relative weight and payment rate
<u>Policy adjustor – normal newborns</u>	<u>1.45</u>	<u>Increases relative weight and payment rate</u>
Policy adjustor – neonate	1.40	Increases relative weight and payment rate
Policy adjustor – mental health pediatric	1.9590	Increases relative weight and payment rate
Policy adjustor – mental health adult	1.459	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	\$ <del>5360,500</del> 000	Used in identifying cost outlier stays
DRG cost outlier marginal cost percentage	<del>60</del> 50%	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