

Amended
PUBLIC NOTICE
December 17, 2021

Pursuant to 42 C.F.R. Section 447.205, public notice is hereby given for the submission of a Medicaid State Plan Amendment (SPA) 21-0051 Disproportionate Share Hospital (DSH) Payment Update. The Division of Medicaid, in the Office of the Governor, will submit this proposed SPA to the Centers for Medicare and Medicaid Services (CMS) effective January 1, 2022, contingent upon approval from CMS, our Transmittal #21-0051.

1. On December 27, 2020, the Consolidated Appropriations Act for 2021 was signed into law after it was passed by Congress, which changes the calculation of a hospital's DSH limit, OBRA, to remove costs and payments of individuals with Medicare or third-party coverage, with the exception of hospitals that meet the 97th percentile for the most recent reporting period. Although this is a requirement for the DSH examinations/audits, the Division of Medicaid intends to be consistent with the calculation of uncompensated care costs and apply it to the DSH payment calculations. This change will allow the DSH payments calculations to be consistent between the preliminary and final DSH payment calculations.
2. The expected annual aggregate expenditures for the Division of Medicaid is \$0.00 for Federal Fiscal Year (FFY) 22 and 23.
3. The Division of Medicaid is submitting this proposed SPA to be in compliance with Consolidated Appropriations Act of 2021.
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 601-359-3984 or by emailing at DOMPolicy@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 DOMPolicy@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

services (including GME program costs approved in accordance with Section 4-1.Q. of this plan) by the hospital to patients who either are eligible for medical assistance under this (or another state's) State Plan, or have no health insurance (or other source of third party coverage) for services provided during the year less any payments made by Medicaid, other than for disproportionate share payments, and less any payments made by uninsured patients. For purposes of this section, payments made to a hospital for services provided to indigent patients made by a State or a unit of local government within a State shall not be considered to be a source of third party payment. For Medicaid DSH payment purposes, allowable costs include costs of treating patients for whom Medicaid is the primary payor and costs of treating patients who have no health insurance (or other source of third party coverage), along with any offsetting payments. Allowable costs for hospitals that meet the 97th percentile rule will be in accordance with the Consolidated Appropriations Act of 2021.

- B. The payment to each hospital shall be calculated by applying a uniform percentage required to allocate 100% of the MS DSH allotment to all DSH eligible hospitals for the rate year to the uninsured care cost of each eligible hospital, excluding state-owned institutions for treatment of mental diseases; however, that percentage for a state-owned teaching hospital located in Hinds County shall be multiplied by a factor of two (2).
- C. For each state fiscal year from 2015 forward, the state shall use uninsured costs from the hospital data related to the most recently filed and longest cost reporting period ending in the calendar year prior to the beginning of the state fiscal year.
 - 1. Those hospital assessments removed on the facility's cost report in accordance with the Medicare Provider Reimbursement Manual, 15-1, Section 2122, should be identified on the hospital DSH survey for add-back in the computation of the uncompensated care costs for Medicaid DSH payment purposes.
- D. The Division of Medicaid shall implement DSH calculation methodologies that result in the maximization of available federal funds.

5-3 Disproportionate Share Payment Period

The DSH payment period is from October 1 through September 30. The determination of a hospital disproportionate share status is made annually for hospitals that meet the DSH requirements as of October 1. Once the list of disproportionate

State of Mississippi
Title XIX Inpatient Hospital Reimbursement Plan

services (including GME program costs approved in accordance with Section 4-1.Q. of this plan) by the hospital to patients who either are eligible for medical assistance under this (or another state's) State Plan, or have no health insurance (or other source of third party coverage) for services provided during the year less any payments made by Medicaid, other than for disproportionate share payments, and less any payments made by uninsured patients. For purposes of this section, payments made to a hospital for services provided to indigent patients made by a State or a unit of local government within a State shall not be considered to be a source of third party payment. For Medicaid DSH payment purposes, ~~allowable Medicaid costs do not include costs associated with services covered by another third party payer (including Medicare) of treating patients for whom Medicaid is the primary payer and costs of treating patients who have no health insurance (or other source of third party coverage), along with any offsetting payments.~~ When Medicaid eligible patients have access to coverage from another party, payments made by the other party may be used as a proxy for cost offsets when calculating the Medicaid payment shortage or overage. Allowable costs for hospitals that meet the 97th percentile rule will be in accordance with the Consolidated Appropriations Act of 2021.

- B. The payment to each hospital shall be calculated by applying a uniform percentage required to allocate 100% of the MS DSH allotment to all DSH eligible hospitals for the rate year to the uninsured care cost of each eligible hospital, excluding state-owned institutions for treatment of mental diseases; however, that percentage for a state-owned teaching hospital located in Hinds County shall be multiplied by a factor of two (2).
- C. For each state fiscal year from 2015 forward, the state shall use uninsured costs from the hospital data related to the most recently filed and longest cost reporting period ending in the calendar year prior to the beginning of the state fiscal year.
 - 1. Those hospital assessments removed on the facility's cost report in accordance with the Medicare Provider Reimbursement Manual, 15-1, Section 2122, should be identified on the hospital DSH survey for add-back in the computation of the uncompensated care costs for Medicaid DSH payment purposes.
- D. The Division of Medicaid shall implement DSH calculation methodologies that result in the maximization of available federal funds.

5-3 Disproportionate Share Payment Period

The DSH payment period is from October 1 through September 30. The determination of a hospital disproportionate share status is made annually for hospitals that meet the DSH requirements as of October 1. Once the list of disproportionate