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## Section 438.6(c) Preprint

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42 C.F.R. § 438.6(c) provides States with the flexibility to implement delivery system and provider payment initiatives under MCO, PIHP, or PAHP Medicaid managed care contracts (i.e., state directed payments). 42 C.F.R. § 438.6(c)(1) describes types of payment arrangements that States may use to direct expenditures under the managed care contract. Under 42 C.F.R. § 438.6(c)(2)(ii), contract arrangements that direct an MCO's, PIHP's, or PAHP's expenditures under paragraphs (c)(1)(i) through (c)(1)(ii) and (c)(1)(iii)(B) through (D) must have written approval from CMS prior to implementation and before approval of the corresponding managed care contract(s) and rate certification(s). This preprint implements the prior approval process and must be completed, submitted, and approved by CMS before implementing any of the specific payment arrangements described in 42 C.F.R. § 438.6(c)(1)(i) through (c)(1)(ii) and (c)(1)(iii)(B) through (D). Please note, per the 2020 Medicaid and CHIP final rule at 42 C.F.R. § 438.6(c)(1)(iii)(A), States no longer need to submit a preprint for prior approval to adopt minimum fee schedules using State plan approved rates as defined in 42 C.F.R. § 438.6(a).

Submit all state directed payment preprints for prior approval to:  
[StateDirectedPayment@cms.hhs.gov](mailto:StateDirectedPayment@cms.hhs.gov).

### SECTION I: DATE AND TIMING INFORMATION

1. Identify the State's managed care contract rating period(s) for which this payment arrangement will apply (for example, July 1, 2020 through June 30, 2021):  
July 1, 2023 - June 30, 2024
2. Identify the State's requested start date for this payment arrangement (for example, January 1, 2021). *Note, this should be the start of the contract rating period unless this payment arrangement will begin during the rating period.* July 1, 2023
3. Identify the managed care program(s) to which this payment arrangement will apply:  
MississippiCAN
4. Identify the estimated **total dollar amount** (federal and non-federal dollars) of this state directed payment: \$562,279,698.00
  - a. Identify the estimated federal share of this state directed payment: \$440,925,682.18
  - b. Identify the estimated non-federal share of this state directed payment: \$121,354,015.82

*Please note, the estimated total dollar amount and the estimated federal share should be described for the rating period in Question 1. If the State is seeking a multi-year approval (which is only an option for VBP/DSR payment arrangements (42 C.F.R. § 438.6(c)(1)(i)-(ii))), States should provide the estimates per rating period. For amendments, states should include the change from the total and federal share estimated in the previously approved preprint.*

5. Is this the initial submission the State is seeking approval under 42 C.F.R. § 438.6(c) for this state directed payment arrangement? ☐ Yes ☒ No

6. If this is not the initial submission for this state directed payment, please indicate if:
- a. ☐ The State is seeking approval of an amendment to an already approved state directed payment.
  - b. ☒ The State is seeking approval for a renewal of a state directed payment for a new rating period.
    - i. If the State is seeking approval of a renewal, please indicate the rating periods for which previous approvals have been granted:  
July 1, 2022 - June 30, 2023; July 1, 2021 - June 30, 2022; July 1, 2020 - June 30, 2021; July 1, 2019 - June 30, 2020; July 1, 2018 - June 30, 2019; July 1, 2017 - June 30, 2018
  - c. Please identify the types of changes in this state directed payment that differ from what was previously approved.
    - ☐ Payment Type Change
    - ☐ Provider Type Change
    - ☐ Quality Metric(s) / Benchmark(s) Change
    - ☐ Other; please describe:
- ☒ No changes from previously approved preprint other than rating period(s).
7. ☒ Please use the checkbox to provide an assurance that, in accordance with 42 C.F.R. § 438.6(c)(2)(ii)(F), the payment arrangement is not renewed automatically.

## SECTION II: TYPE OF STATE DIRECTED PAYMENT

8. In accordance with 42 C.F.R. § 438.6(c)(2)(ii)(A), describe in detail how the payment arrangement is based on the utilization and delivery of services for enrollees covered under the contract. The State should specifically discuss what must occur in order for the provider to receive the payment (e.g., utilization of services by managed care enrollees, meet or exceed a performance benchmark on provider quality metrics).
- See attached file entitled "Question 8 – SFY 24 MHAP preprint.pdf".

- a. ☒ Please use the checkbox to provide an assurance that CMS has approved the federal authority for the Medicaid services linked to the services associated with the SDP (i.e., Medicaid State plan, 1115(a) demonstration, 1915(c) waiver, etc.).
- b. Please also provide a link to, or submit a copy of, the authority document(s) with initial submissions and at any time the authority document(s) has been renewed/revised/updated.

<https://medicaid.ms.gov/about/state-plan/approved-state-plan-amendments/>

The related documents from the above link are attached for your reference.

9. Please select the general type of state directed payment arrangement the State is seeking prior approval to implement. (Check all that apply and address the underlying questions for each category selected.)

- a. ☐ **VALUE-BASED PAYMENTS / DELIVERY SYSTEM REFORM:** In accordance with 42 C.F.R. § 438.6(c)(1)(i) and (ii), the State is requiring the MCO, PIHP, or PAHP to implement value-based purchasing models for provider reimbursement, such as alternative payment models (APMs), pay for performance arrangements, bundled payments, or other service payment models intended to recognize value or outcomes over volume of services; or the State is requiring the MCO, PIHP, or PAHP to participate in a multi-payer or Medicaid-specific delivery system reform or performance improvement initiative.

*If checked, please answer all questions in Subsection IIA.*

- b. ☒ **FEE SCHEDULE REQUIREMENTS:** In accordance with 42 C.F.R. § 438.6(c)(1)(iii)(B) through (D), the State is requiring the MCO, PIHP, or PAHP to adopt a minimum or maximum fee schedule for network providers that provide a particular service under the contract; or the State is requiring the MCO, PIHP, or PAHP to provide a uniform dollar or percentage increase for network providers that provide a particular service under the contract. **[Please note, per the 2020 Medicaid and CHIP final rule at 42 C.F.R. § 438.6(c)(1)(iii)(A), States no longer need to submit a preprint for prior approval to adopt minimum fee schedules using State plan approved rates as defined in 42 C.F.R. § 438.6(a).]**

*If checked, please answer all questions in Subsection IIB.*

#### **SUBSECTION IIA: VALUE-BASED PAYMENTS (VBP) / DELIVERY SYSTEM REFORM (DSR):**

*This section must be completed for all state directed payments that are VBP or DSR. This section does not need to be completed for state directed payments that are fee schedule requirements.*

10. Please check the type of VBP/DSR State directed payment the State is seeking prior approval for. *Check all that apply; if none are checked, proceed to Section III.*

- ☐ Quality Payment/Pay for Performance (Category 2 APM, or similar)
- ☐ Bundled Payment/Episode-Based Payment (Category 3 APM, or similar)
- ☐ Population-Based Payment/Accountable Care Organization (Category 4 APM, or similar)
- ☐ Multi-Payer Delivery System Reform
- ☐ Medicaid-Specific Delivery System Reform
- ☐ Performance Improvement Initiative
- ☐ Other Value-Based Purchasing Model

**11.** Provide a brief summary or description of the required payment arrangement selected above and describe how the payment arrangement intends to recognize value or outcomes over volume of services. If “other” was checked above, identify the payment model. The State should specifically discuss what must occur in order for the provider to receive the payment (e.g., meet or exceed a performance benchmark on provider quality metrics).

**12.** In Table 1 below, identify the measure(s), baseline statistics, and targets that the State will tie to provider performance under this payment arrangement (provider performance measures). Please complete all boxes in the row. To the extent practicable, CMS encourages states to utilize existing, validated, and outcomes-based performance measures to evaluate the payment arrangement, and recommends States use the [CMS Adult and Child Core Set Measures](#) when applicable. If the state needs more space, please use Addendum Table 1.A and check this box: ☐

**TABLE 1: Payment Arrangement Provider Performance Measures**

Measure Name and NQF # (if applicable)	Measure Steward/ Developer <sup>1</sup>	Baseline <sup>2</sup> Year	Baseline <sup>2</sup> Statistic	Performance Measurement Period <sup>3</sup>	Performance Target	Notes <sup>4</sup>
<i>Example: Percent of High-Risk Residents with Pressure Ulcers – Long Stay</i>	<i>CMS</i>	<i>CY 2018</i>	<i>9.23%</i>	<i>Year 2</i>	<i>8%</i>	<i>Example notes</i>
<b>a.</b>						
<b>b.</b>						
<b>c.</b>						
<b>d.</b>						
<b>e.</b>						

1. Baseline data must be added after the first year of the payment arrangement

2. If state-developed, list State name for Steward/Developer.

3. If this is planned to be a multi-year payment arrangement, indicate which year(s) of the payment arrangement that performance on the measure will trigger payment.

4. If the State is using an established measure and will deviate from the measure steward’s measure specifications, please describe here. Additionally, if a state-specific measure will be used, please define the numerator and denominator here.

a. Please describe the methodology used to set the performance targets for each measure.

**b.** If multiple provider performance measures are involved in the payment arrangement, discuss if the provider must meet the performance target on each measure to receive payment or can providers receive a portion of the payment if they meet the performance target on some but not all measures?

c. For state-developed measures, please briefly describe how the measure was developed?

**14. Is the State seeking a multi-year approval of the state directed payment arrangement?**

☐ Yes ☐ No

- a. If this payment arrangement is designed to be a multi-year effort, denote the State's managed care contract rating period(s) the State is seeking approval for.
- b. If this payment arrangement is designed to be a multi-year effort and the State is **NOT** requesting a multi-year approval, describe how this application's payment arrangement fits into the larger multi-year effort and identify which year of the effort is addressed in this application.

**15. Use the checkboxes below to make the following assurances:**

- a. ☐ In accordance with 42 C.F.R. § 438.6(c)(2)(iii)(A), the state directed payment arrangement makes participation in the value-based purchasing initiative, delivery system reform, or performance improvement initiative available, using the same terms of performance, to the class or classes of providers (identified below) providing services under the contract related to the reform or improvement initiative.
- b. ☐ In accordance with 42 C.F.R. § 438.6(c)(2)(iii)(B), the payment arrangement makes use of a common set of performance measures across all of the payers and providers.
- c. ☐ In accordance with 42 C.F.R. § 438.6(c)(2)(iii)(C), the payment arrangement does not set the amount or frequency of the expenditures.
- d. ☐ In accordance with 42 C.F.R. § 438.6(c)(2)(iii)(D), the payment arrangement does not allow the State to recoup any unspent funds allocated for these arrangements from the MCO, PIHP, or PAHP.

**SUBSECTION IIB: STATE DIRECTED FEE SCHEDULES:**

*This section must be completed for all state directed payments that are fee schedule requirements. This section does not need to be completed for state directed payments that are VBP or DSR.*

**16. Please check the type of state directed payment for which the State is seeking prior approval. Check all that apply; if none are checked, proceed to Section III.**

- a. ☐ Minimum Fee Schedule for providers that provide a particular service under the contract *using rates other than State plan approved rates*<sup>1</sup> (42 C.F.R. § 438.6(c)(1)(iii)(B))
- b. ☐ Maximum Fee Schedule (42 C.F.R. § 438.6(c)(1)(iii)(D))
- c. ☒ Uniform Dollar or Percentage Increase (42 C.F.R. § 438.6(c)(1)(iii)(C))

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<sup>1</sup> Please note, per the 2020 Medicaid and CHIP final rule at 42 C.F.R. § 438.6(c)(1)(iii)(A), States no longer need to submit a preprint for prior approval to adopt minimum fee schedules that use State plan approved rates as defined in 42 C.F.R. § 438.6(a).

**17. If the State is seeking prior approval of a fee schedule (options a or b in Question 16):**

- a.** Check the basis for the fee schedule selected above.
  - i.** ☐ The State is proposing to use a fee schedule based on the **State-plan approved rates** as defined in 42 C.F.R. § 438.6(a). <sup>2</sup>
  - ii.** ☐ The State is proposing to use a fee schedule based on the **Medicare or Medicare-equivalent rate**.
  - iii.** ☐ The State is proposing to use a fee schedule based on an **alternative fee schedule established by the State**.
    - 1.** If the State is proposing an alternative fee schedule, please describe the alternative fee schedule (e.g., 80% of Medicaid State-plan approved rate)
- b.** Explain how the state determined this fee schedule requirement to be reasonable and appropriate.

**18. If using a maximum fee schedule (option b in Question 16), please answer the following additional questions:**

- a.** ☐ Use the checkbox to provide the following assurance: In accordance with 42 C.F.R. § 438.6(c)(1)(iii)(C), the State has determined that the MCO, PIHP, or PAHP has retained the ability to reasonably manage risk and has discretion in accomplishing the goals of the contract.
- b.** Describe the process for plans and providers to request an exemption if they are under contract obligations that result in the need to pay more than the maximum fee schedule.
- c.** Indicate the number of exemptions to the requirement:
  - i.** Expected in this contract rating period (estimate)
  - ii.** Granted in past years of this payment arrangement
- d.** Describe how such exemptions will be considered in rate development.

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<sup>2</sup> Please note, per the 2020 Medicaid and CHIP final rule at 42 C.F.R. § 438.6(c)(1)(iii)(A), States no longer need to submit a preprint for prior approval to adopt minimum fee schedules that use State plan approved rates as defined in 42 C.F.R. § 438.6(a).

**19.** If the State is seeking prior approval for a uniform dollar or percentage increase (option c in Question 16), please address the following questions:

- a.** Will the state require plans to pay a ☐ uniform dollar amount **or** a ☒ uniform percentage increase? (*Please select only one.*)
- b.** What is the magnitude of the increase (e.g., \$4 per claim or 3% increase per claim?)

FSA - IP add-on is initially estimated based on previous state fiscal years data at \$2,810.53 per discharge. FSA - OP add on is initially estimated based on previous state fiscal years payments at a 31.09% add-on to outpatient payments.

- c.** Describe how will the uniform increase be paid out by plans (e.g., upon processing the initial claim, a retroactive adjustment done one month after the end of quarter for those claims incurred during that quarter).

The interim FSA-IP add-on amount per discharge and the FSA-OP add-on percentage of outpatient payments for the statewide class of network providers will be paid out using inpatient discharges and outpatient payments from the state fiscal year July 1, 2021 through June 30, 2022 on a monthly basis during the state fiscal year. During May 2025, the interim payments will be reconciled to actual encounters that occurred during the rating period of July 1, 2023 through June 30, 2024. The interim payments will be reconciled to the final calculations with payment adjustments or recoupments processed to hospital providers. See additional information related to this process in Question 8.

- d.** Describe how the increase was developed, including why the increase is reasonable and appropriate for network providers that provide a particular service under the contract

These approaches and funding mechanisms were developed to preserve critically needed MHAP funding to Mississippi hospitals and the two out-of-state hospitals included in the preprint. See Table 2 included with Question #23 identifying the reasonableness of the FSA add-on amounts.

### **SECTION III: PROVIDER CLASS AND ASSESSMENT OF REASONABLENESS**

**20.** In accordance with 42 C.F.R. § 438.6(c)(2)(ii)(B), identify the class or classes of providers that will participate in this payment arrangement by answering the following questions:

- a.** Please indicate which general class of providers would be affected by the state directed payment (check all that apply):

- ☒ inpatient hospital service
- ☒ outpatient hospital service
- ☐ professional services at an academic medical center
- ☐ primary care services
- ☐ specialty physician services
- ☐ nursing facility services
- ☐ HCBS/personal care services
- ☐ behavioral health inpatient services
- ☐ behavioral health outpatient services
- ☐ dental services
- ☐ Other:

- b.** Please define the provider class(es) (if further narrowed from the general classes indicated above).



- c. Provide a justification for the provider class defined in Question 20b (e.g., the provider class is defined in the State Plan.) If the provider class is defined in the State Plan, please provide a link to or attach the applicable State Plan pages to the preprint submission. Provider classes cannot be defined to only include providers that provide intergovernmental transfers.
- 21.** In accordance with 42 C.F.R. § 438.6(c)(2)(ii)(B), describe how the payment arrangement directs expenditures equally, using the same terms of performance, for the class or classes of providers (identified above) providing the service under the contract.
- For the single state-wide class of hospital providers, inpatient discharges and outpatient reimbursements will be considered equally across all hospital providers.
- 22.** For the services where payment is affected by the state directed payment, how will the state directed payment interact with the negotiated rate(s) between the plan and the provider? Will the state directed payment:
- a. ☐ Replace the negotiated rate(s) between the plan(s) and provider(s).
  - b. ☐ Limit but not replace the negotiated rate(s) between the plans(s) and provider(s).
  - c. ☒ Require a payment be made in addition to the negotiated rate(s) between the plan(s) and provider(s).
- 23.** For payment arrangements that are intended to require plans to make a payment in addition to the negotiated rates (as noted in option c in Question 22), please provide an analysis in Table 2 showing the impact of the state directed payment on payment levels for each provider class. This provider payment analysis should be completed distinctly for each service type (e.g., inpatient hospital services, outpatient hospital services, etc.).
- This should include an estimate of the base reimbursement rate the managed care plans pay to these providers as a percent of Medicare, or some other standardized measure, and the effect the increase from the state directed payment will have on total payment. *Ex: The average base payment level from plans to providers is 80% of Medicare and this SDP is expected to increase the total payment level from 80% to 100% of Medicare.*
- If the state needs more space, please use Addendum 2.A and check this box: ☐

**TABLE 2: Provider Payment Analysis**

<b>Provider Class(es)</b>	<b>Average Base Payment Level from Plans to Providers (absent the SDP)</b>	<b>Effect on Total Payment Level of State Directed Payment (SDP)</b>	<b>Effect on Total Payment Level of Other SDPs</b>	<b>Effect on Total Payment Level of Pass-Through Payments (PTPs)</b>	<b>Total Payment Level (after accounting for all SDPs and PTPs)</b>
<i>Ex: Rural Inpatient Hospital Services</i>	80%	20%	N/A	N/A	100%
<b>a.</b> Inpatient Hospital Services (% of Medicare)	58.79%	58.95%			117.74%
<b>b.</b> Outpatient Hospital Services (% of Medicare)	91.52%	61.29%			152.81%
<b>c.</b> Total Hospital Services (% of Medicare)	69.96%	59.74%			129.70%
<b>d.</b>					
<b>e.</b>					
<b>f.</b>					
<b>g.</b>					

**24.** Please indicate if the data provided in Table 2 above is in terms of a percentage of:

- a.** ☒ Medicare payment/cost
- b.** ☐ State-plan approved rates as defined in 42 C.F.R. § 438.6(a) (*Please note, this rate cannot include supplemental payments.*)
- c.** ☐ Other; Please define:

**25.** Does the State also require plans to pay any other state directed payments for providers eligible for the provider class described in Question 20b? ☐ Yes ☒ No

*If yes, please provide information requested under the column "Other State Directed Payments" in Table 2.*

- 26.** Does the State also require plans to pay pass-through payments as defined in 42 C.F.R. § 438.6(a) to any of the providers eligible for any of the provider class(es) described in Question 20b? ☐ Yes ☒ No

*If yes, please provide information requested under the column “Pass-Through Payments” in Table 2.*

- 27.** Please describe the data sources and methodology used for the analysis provided in response to Question 23.

The state has prepared an IP and OP MCO Medicare payment comparison to provide CMS with a measurable estimate of total payments made to providers in the state of Mississippi. The measure is demonstrated as a percentage of Medicare with base payments made to providers in MS and a percentage of Medicare that remaining FSA, PPHR, PPC, and HIN payments have as a percentage of Medicare. All payment percentages were identified between IP, OP, and in total to ensure overall requested payments are reasonable and appropriate.

- 28.** Please describe the State's process for determining how the proposed state directed payment was appropriate and reasonable.

The Division of Medicaid has reviewed the proposed levels of funding and determined that they are significantly less than any reasonable estimate of what payments would be utilizing Average Commercial Rates (ACR). Our source for making this assertion is the January 2022, Congressional Budget Office (CBO) study that found the ratio of commercial to Medicare FFS prices is approximately 223 percent (page 5 Hospital services). Page 13 of the study shows the hospital average commercial rate for hospital inpatient services by state, with Mississippi showing an average at approximately 200%. Please see the attached CBO report. An additional publication, “How Much More Than Medicare Do Private Insurers Pay – A Review of the Literature” from Henry J Kaiser Family Foundation (<https://www.kff.org/medicare/issue-brief/how-much-more-than-medicare-do-private-insurers-pay-a-review-of-the-literature/>). Slides within the KFF publication summarize numerous studies showing an average percent of Medicare of 189 percent for IP hospital services and 264 percent for OP hospital services. Based on these publications, and other contemporary information available to the program, our proposed funding levels are below average commercial rates funding levels.

#### SECTION IV: INCORPORATION INTO MANAGED CARE CONTRACTS

- 29.** States must adequately describe the contractual obligation for the state directed payment in the state’s contract with the managed care plan(s) in accordance with 42 C.F.R. § 438.6(c). Has the state already submitted all contract action(s) to implement this state directed payment? ☒ Yes ☐ No

**a.** If yes:

- i.** What is/are the state-assigned identifier(s) of the contract actions provided to CMS?

MCR-MS-0001-MSCAN-RATE-20220701-20230630-CERTIFICATION-20220420

- ii.** Please indicate where (page or section) the state directed payment is captured in the contract action(s).

VII. Section 13.B., FINANCIAL REQUIREMENTS – Mississippi Hospital Access Program, page 7.

- b.** If no, please estimate when the state will be submitting the contract actions for review.

## SECTION V: INCORPORATION INTO THE ACTUARIAL RATE CERTIFICATION

*Note: Provide responses to the questions below for the first rating period if seeking approval for multi-year approval.*

**30.** Has/Have the actuarial rate certification(s) for the rating period for which this state directed payment applies been submitted to CMS? ☐ Yes ☒ No

**a.** If no, please estimate when the state will be submitting the actuarial rate certification(s) for review.

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**b.** If yes, provide the following information in the table below for each of the actuarial rate certification review(s) that will include this state directed payment.

**Table 3: Actuarial Rate Certification(s)**

Control Name Provided by CMS (List each actuarial rate certification separately)	Date Submitted to CMS	Does the certification incorporate the SDP?	If so, indicate where the state directed payment is captured in the certification (page or section)
i.			
ii.			
iii.			
iv.			
v.			

*Please note, states and actuaries should consult the most recent [Medicaid Managed Care Rate Development Guide](#) for how to document state directed payments in actuarial rate certification(s). The actuary's certification must contain all of the information outlined; if all required documentation is not included, review of the certification will likely be delayed.)*

**c.** If not currently captured in the State's actuarial certification submitted to CMS, note that the regulations at 42 C.F.R. § 438.7(b)(6) requires that all state directed payments are documented in the State's actuarial rate certification(s). CMS will not be able to approve the related contract action(s) until the rate certification(s) has/have been amended to account for all state directed payments. Please provide an estimate of when the State plans to submit an amendment to capture this information.

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**31.** Describe how the State will/has incorporated this state directed payment arrangement in the applicable actuarial rate certification(s) (please select one of the options below):

- a. ☐ An adjustment applied in the development of the monthly base capitation rates paid to plans.
- b. ☒ Separate payment term(s) which are captured in the applicable rate certification(s) but paid separately to the plans from the monthly base capitation rates paid to plans.
- c. ☐ Other, please describe:

**32.** States should incorporate state directed payment arrangements into actuarial rate certification(s) as an adjustment applied in the development of the monthly base capitation rates paid to plans as this approach is consistent with the rate development requirements described in 42 C.F.R. § 438.5 and consistent with the nature of risk-based managed care. For state directed payments that are incorporated in another manner, particularly through separate payment terms, provide additional justification as to why this is necessary and what precludes the state from incorporating as an adjustment applied in the development of the monthly base capitation rates paid to managed care plans.

The FSA portion of MHAP is paid on a monthly basis. The QIPP portion of MHAP is paid on a quarterly basis. Both FSA and QIPP are subject to adjustments in amount based on hospital attestations and performance, therefore, it is incorporated as a separate payment term.

**33.** ☒ In accordance with 42 C.F.R. § 438.6(c)(2)(i), the State assures that all expenditures for this payment arrangement under this section are developed in accordance with 42 C.F.R. § 438.4, the standards specified in 42 C.F.R. § 438.5, and generally accepted actuarial principles and practices.

## SECTION VI: FUNDING FOR THE NON-FEDERAL SHARE

**34.** Describe the source of the non-federal share of the payment arrangement. Check all that apply:

- a. ☒ State general revenue
- b. ☒ Intergovernmental transfers (IGTs) from a State or local government entity
- c. ☒ Health Care-Related Provider tax(es) / assessment(s)
- d. ☐ Provider donation(s)
- e. ☐ Other, specify:

**35.** For any payment funded by **IGTs (option b in Question 34)**,

- a. Provide the following (respond to each column for all entities transferring funds). If the state needs more space, please use Addendum Table 4.A and check this box: ☐

**Table 4: IGT Transferring Entities**

<b>Name of Entities transferring funds (enter each on a separate line)</b>	<b>Operational nature of the Transferring Entity (State, County, City, Other)</b>	<b>Total Amounts Transferred by This Entity</b>	<b>Does the Transferring Entity have General Taxing Authority? (Yes or No)</b>	<b>Did the Transferring Entity receive appropriations? If not, put N/A. If yes, identify the level of appropriations</b>	<b>Is the Transferring Entity eligible for payment under this state directed payment? (Yes or No)</b>
<b>i.</b> Regional Medical Center of Memphis	Other	\$ 802,102.06	No	N/A	Yes
<b>ii.</b>					
<b>iii.</b>					
<b>iv.</b>					
<b>v.</b>					
<b>vi.</b>					
<b>vii.</b>					
<b>viii.</b>					
<b>ix.</b>					
<b>x.</b>					

- b.** ☒ Use the checkbox to provide an assurance that no state directed payments made under this payment arrangement funded by IGTs are dependent on any agreement or arrangement for providers or related entities to donate money or services to a governmental entity.
- c.** Provide information or documentation regarding any written agreements that exist between the State and healthcare providers or amongst healthcare providers and/or related entities relating to the non-federal share of the payment arrangement. This should include any written agreements that may exist with healthcare providers to support and finance the non-federal share of the payment arrangement. Submit a copy of any written agreements described above.

There are no written agreements that exist between the State and Healthcare Providers.

**36. For any state directed payments funded by provider taxes/assessments (option c in Question 34),**

- a.** Provide the following (respond to each column for all entries). If there are more entries than space in the table, please provide an attachment with the information requested in the table.

**Table 5: Health Care-Related Provider Tax/Assessment(s)**

<b>Name of the Health Care-Related Provider Tax / Assessment (enter each on a separate line)</b>	<b>Identify the permissible class for this tax / assessment</b>	<b>Is the tax / assessment broad-based?</b>	<b>Is the tax / assessment uniform?</b>	<b>Is the tax / assessment under the 6% indirect hold harmless limit?</b>	<b>If not under the 6% indirect hold harmless limit, does it pass the “75/75” test?</b>	<b>Does it contain a hold harmless arrangement that guarantees to return all or any portion of the tax payment to the tax payer?</b>
<b>i.</b> Inpatient Hospital Access Tax	Inpatient Hospital Services	Yes	Yes	Yes		No
<b>ii.</b>						
<b>iii.</b>						
<b>iv.</b>						
<b>v.</b>						

- b.** If the state has any waiver(s) of the broad-based and/or uniform requirements for any of the health care-related provider taxes/assessments, list the waiver(s) and its current status:

**Table 6: Health Care-Related Provider Tax/Assessment Waivers**

<b>Name of the Health Care-Related Provider Tax/Assessment Waiver (enter each on a separate line)</b>	<b>Submission Date</b>	<b>Current Status (Under Review, Approved)</b>	<b>Approval Date</b>
<b>i.</b> None			
<b>ii.</b>			
<b>iii.</b>			
<b>iv.</b>			
<b>v.</b>			

**37.** For any state directed payments funded by **provider donations (option d in Question 34)**, please answer the following questions:

- a.** Is the donation bona-fide? ☐ Yes ☐ No
- b.** Does it contain a hold harmless arrangement to return all or any part of the donation to the donating entity, a related entity, or other provider furnishing the same health care items or services as the donating entity within the class?  
☐ Yes ☐ No

**38.** ☒ **For all state directed payment arrangements**, use the checkbox to provide an assurance that in accordance with 42 C.F.R. § 438.6(c)(2)(ii)(E), the payment arrangement does not condition network provider participation on the network provider entering into or adhering to intergovernmental transfer agreements.



## **SECTION VII: QUALITY CRITERIA AND FRAMEWORK FOR ALL PAYMENT ARRANGEMENTS**

- 39.** ☒ Use the checkbox below to make the following assurance, “In accordance with 42 C.F.R. § 438.6(c)(2)(ii)(C), the State expects this payment arrangement to advance at least one of the goals and objectives in the quality strategy required per 42 C.F.R. § 438.340.”
- 40.** Consistent with 42 C.F.R. § 438.340(d), States must post the final quality strategy online beginning July 1, 2018. Please provide:
- a.** A hyperlink to State’s most recent quality strategy: <https://medicaid.ms.gov/wp-content/uploads/2021/09/MS-DOM-Comprehensive-Quality-Strategy-2021>
  - b.** The effective date of quality strategy. **September 10, 2021**
- 41.** If the State is currently updating the quality strategy, please submit a draft version, and provide:
- a.** A target date for submission of the revised quality strategy (month and year):
  - b.** Note any potential changes that might be made to the goals and objectives.

*Note: The State should submit the final version to CMS as soon as it is finalized. To be in compliance with 42 C.F.R. § 438.340(c)(2) the quality strategy must be updated no less than once every 3-years.*

- 42.** To obtain written approval of this payment arrangement, a State must demonstrate that each state directed payment arrangement expects to advance at least one of the goals and objectives in the quality strategy. In the Table 7 below, identify the goal(s) and objective(s), as they appear in the Quality Strategy (include page numbers), this payment arrangement is expected to advance. If additional rows are required, please attach.

**Table 7: Payment Arrangement Quality Strategy Goals and Objectives**

Goal(s)	Objective(s)	Quality strategy page
<i>Example: Improve care coordination for enrollees with behavioral health conditions</i>	<i>Example: Increase the number of managed care patients receiving follow-up behavior health counseling by 15%</i>	5
a. Promote Effective Prevention & Treatment of Chronic Disease	Ensure timely and proximate access to primary and specialty care.	6
b. Make Care Safer by Reducing Harm Caused in the Delivery of Care	Reduce medication errors and improve adherence to medication regimen.	6
c. Make Care Affordable	Minimize wasteful spending by reducing low-value care.	6
d.		

- 43.** Describe how this payment arrangement is expected to advance the goal(s) and objective(s) identified in Table 7. If this is part of a multi-year effort, describe this both in terms of this year's payment arrangement and in terms of that of the multi-year payment arrangement.

HIN - During SFY 2023, hospitals were required to certify to their actual connection to and participation in a state-wide HIN for the purposes of sharing medical information. The hospitals' HIN connection is expected to support clinical, and admit, discharge and transfer (ADT) data sharing for Medicaid beneficiaries receiving care at their hospitals. During SFY 2024, hospitals will again be required to show their actual participation in the HIN and to share any available data produced by the HIN. This advances the goal of providing timely access to medical information to improve the quality of care.

PPHR/PPC - During SFY 2023, as in the previous fiscal year, hospitals received and reviewed their quarterly PPHR reports to assess and improve their performance as measured by the actual-to-expected ratio of hospital readmissions. Hospitals were measured against a statewide threshold of 1.04. For the fifteen hospitals which were above this threshold, compared to the baseline period of 1/1/2020-12/31/2021, they were required to submit a corrective action plan (CAP). For the fifteen hospitals which submitted a CAP, during SFY 2024, they will be required to show a 2% improvement in their actual-to expected ratio. All hospitals will receive and review their quarterly PPHR reports for ongoing assessment of their hospital readmissions and return ED visits, which they must attest to in order to receive payment. This advances the goal of improving the quality of care of the beneficiary by reducing hospital readmissions and also focuses on improving cost effectiveness and efficiency through the reduction of readmissions and return ED visits. Hospitals will also be required to attest to their receipt and review of the quarterly PPC reports. During SFY 2024, hospitals will be measured against a statewide threshold to be developed for PPCs. Hospitals will be required to submit a CAP if they exceed this statewide threshold.

**44.** Please complete the following questions regarding having an evaluation plan to measure the degree to which the payment arrangement advances at least one of the goals and objectives of the State's quality strategy. To the extent practicable, CMS encourages States to utilize existing, validated, and outcomes-based performance measures to evaluate the payment arrangement, and recommends States use the [CMS Adult and Child Core Set Measures](#), when applicable.

- a.** ☒ In accordance with 42 C.F.R. § 438.6(c)(2)(ii)(D), use the checkbox to assure the State has an evaluation plan which measures the degree to which the payment arrangement advances at least one of the goals and objectives in the quality strategy required per 42 C.F.R. § 438.340, and that the evaluation conducted will be *specific* to this payment arrangement. *Note:* States have flexibility in how the evaluation is conducted and may leverage existing resources, such as their 1115 demonstration evaluation if this payment arrangement is tied to an 1115 demonstration or their External Quality Review validation activities, as long as those evaluation or validation activities are *specific* to this payment arrangement and its impacts on health care quality and outcomes.

- b.** Describe how and when the State will review progress on the advancement of the State's goal(s) and objective(s) in the quality strategy identified in Question 42. For each measure the State intends to use in the evaluation of this payment arrangement, provide in Table 8 below: 1) the baseline year, 2) the baseline statistics, and 3) the performance targets the State will use to track the impact of this payment arrangement on the State's goals and objectives. Please attach the State's evaluation plan for this payment arrangement.

**TABLE 8: Evaluation Measures, Baseline and Performance Targets**

Measure Name and NQF # (if applicable)	Baseline Year	Baseline Statistic	Performance Target	Notes <sup>1</sup>
<i>Example: Flu Vaccinations for Adults Ages 19 to 64 (FVA-AD); NQF # 0039</i>	<i>CY 2019</i>	<i>34%</i>	<i>Increase the percentage of adults 18–64 years of age who report receiving an influenza vaccination by 1 percentage point per year</i>	<i>Example notes</i>
<b>i.</b> See attachment: MS_Fee_IPH.OPH_Rene wal_Evaluation Findings Template_FINAL - 6 30 2022				
<b>ii.</b>				
<b>iii.</b>				
<b>iv.</b>				

1. If the State will deviate from the measure specification, please describe here. If a State-specific measure will be used, please define the numerator and denominator here. Additionally, describe any planned data or measure stratifications (for example, age, race, or ethnicity) that will be used to evaluate the payment arrangement.

- c. If this is any year other than year 1 of a multi-year effort, describe (or attach) prior year(s) evaluation findings and the payment arrangement's impact on the goal(s) and objective(s) in the State's quality strategy. Evaluation findings must include 1) historical data; 2) prior year(s) results data; 3) a description of the evaluation methodology; and 4) baseline and performance target information from the prior year(s) preprint(s) where applicable. If full evaluation findings from prior year(s) are not available, provide partial year(s) findings and an anticipated date for when CMS may expect to receive the full evaluation findings.

HIN – The HIN was initiated in SFY 2021. During this initial year approximately 65 hospitals were contracted to participate in the statewide HIN. For SFY 2023, the State's goal was to continue receiving each hospitals quarterly attestation of their actual connection to and participation in the HIN. As of March 31, 2023 there are 100 hospitals connected to a statewide HIN and sharing admission, discharge and transfer data.

For SFY 2024, in order to receive the HIN portion of the MHAP QIPP payment, hospitals will be required to certify their actual connection to, and participation in, the statewide HIN. This certification must include a report from the statewide HIN validating their participation. The hospitals' HIN connection is expected to support clinical, and admit, discharge and transfer (ADT) data sharing for Medicaid beneficiaries receiving care at their hospitals.

PPHR - The State evaluates the improvement in readmission rates via the statewide PPHR actual-to-expected ratio (A/E Ratio) compared to the baseline period from the attached report entitled "MS Medicaid Statewide PPHR Results - SFY 2023". Performance is measured using the A/E Ratio which is calculated as the number of actual inpatient readmissions and return ED visits divided by the expected number during the 1/1/2020-12/31/2021 baseline period (For Cycle 3). For SFY 2023, the statewide threshold was reduced from 1.07 to 1.04 in keeping with the improvement expected in the A/E Ratio. Details of this methodology can be found in the "MS-QIPP-Readmissions-Methodology-Supplement-Cycle-3-Update\_June-2021". The attached performance report also contains historical and current performance for each Mississippi hospital.

PPC - Year 3 of a multi-year effort. For SFY 2024, the State is continuing to monitor the PPC actual-to expected rates for hospitals throughout the state compared to an expected statewide threshold. Details of this methodology can be found in the "MS-QIPP-PPC-Methodology-Supplement\_June-2021". During state fiscal 2024, hospitals will be required to receive and review their PPC reports on a quarterly basis and provide a corrective action plan (CAP) for those hospitals exceeding the calculated statewide threshold. The attached report entitled "MS Medicaid Statewide PPC Results - SFY 2023" provides information on the states overall PPC rate and detailed information regarding individual PPCs compared to the expected rates.