

**Mississippi Division of Medicaid  
SFY 2026 MHAP Preprint Parameters**

**January 9, 2025**

Following are the proposed parameters for inclusion in the Section 438.6(c) preprint to be submitted to the Centers for Medicare & Medicaid Services (CMS) for the Mississippi Hospital Access Program (MHAP) for the state fiscal year beginning July 1, 2025. These approaches and funding mechanisms were developed to preserve critically needed MHAP funding to Mississippi hospitals.

**MHAP Pool Amounts**

For SFY 2026, the Division of Medicaid (Division) intends to request a total dollar amount of \$1,510,325,958. This is a decrease compared to SFY 2025 of \$(30,097,736) based on the change for SFY 2026 to the 2024 RAND ACR Study. The pools will be allocated forty-six percent (46%) to FSA and fifty-four percent (54%) to QIPP.

<b>SFY</b>	<b>MHAP-TPP</b>	<b>MHAP-FSA</b>	<b>MHAP-QIPP</b>	<b>Total MHAP</b>
2016	\$533,110,956	\$0	\$0	\$533,110,956
2017	\$533,110,956	\$0	\$0	\$533,110,956
2018	\$422,241,632	\$110,869,324	\$0	\$533,110,956
2019	\$380,017,469	\$153,093,487	\$0	\$533,110,956
2020	\$215,886,793	\$275,000,000	\$42,224,163	\$533,110,956
2021	\$0	\$317,886,793	\$215,224,163	\$533,110,956
2022	\$0	\$285,603,168	\$247,507,788	\$533,110,956
2023	\$0	\$313,053,124	\$288,100,478	\$601,153,602
2024	\$0	\$733,317,426	\$788,996,459	\$1,522,313,885
2025	\$0	\$719,679,373	\$820,744,321	\$1,540,423,694
<b>2026</b>	<b>\$0</b>	<b>\$694,749,941</b>	<b>\$815,576,017</b>	<b>\$1,510,325,958</b>
		<b>46%</b>	<b>54%</b>	<b>100.0%</b>

The Quality Incentive Payment Program (QIPP) pool of \$815,576,017 will be allocated among the following components:

<b>Allocation of QIPP components for SFY 2026:</b>			
1) Health Information Network (HIN)		40%	\$326,230,406
2) Quality Measures:		60%	
Potentially Preventable Hospital Returns (PPHR)*		20%	\$163,115,203
Potentially Preventable Compliactions (PPC)*		20%	\$163,115,203
Ambulatory PPCs		20%	\$163,115,203
Total of QIPP Components			<b>\$815,576,017</b>

\* For SFY 2026, the Division will carve out \$50.0M from the initial payment of the PPHR and PPC portions of QIPP. For those hospitals that improve their Actual to Expected Ratios (a/e ratios) by greater than or equal to two percent (2%) or already have an a/e ratio less than the statewide threshold, the Division will pay those hospitals achieving the required improvement a pro-rata portion of the \$50.0M attributed to their hospital. This additional payment will occur after the final PPHR and PPC reports for SFY 2026 have been completed and the required improvement determined.

### **Rural Emergency Hospital (REH) Payments**

For SFY 2026, REH providers will continue to participate in the MHAP program with their payments based on OP FSA and QIPP only.

Since REH designated hospitals do not have inpatient stays, the FSA portion will be based solely on outpatient managed care encounters. The QIPP portion will be split forty percent (40%) HIN and sixty percent (60%) to the OP metric of Ambulatory PPCs (AM PPC).

### **Health Information Network (HIN)**

In SFY 2026, in order to receive the HIN portion of the QIPP payment, hospitals will be required to certify their actual connection to, and participation in, a statewide HIN. The statewide HIN to which the hospital is connected must have the capability to receive admit, discharge, and transfer (ADT) information from the hospital and transmit that information to Medicaid and/or its designee. The hospitals' HIN connection is expected to support clinical and ADT data sharing for Medicaid beneficiaries receiving care at their hospitals. During SFY 2026 hospitals will be required to submit ADT information to the HIN and attest to that submission in order to receive the HIN component of QIPP. This certification from the hospital must either include a report from the statewide HIN validating their participation or the hospital must be included in a certified report of hospitals submitting ADTs received by DOM from the HIN.

## **Fee Schedule Adjustment (FSA)**

### **Interim Payments**

- The Division will make “interim” payments during the fiscal year (July 1, 2025 – June 30, 2026) based on historical encounters from the period July 1, 2023 – June 30, 2024 (SFY 2024), with the encounters run on a “paid” basis.
- FSA payments will be included in the SFY 2026 MHAP Model at sixty percent (60%) inpatient and forty percent (40%) outpatient.
- The case mix utilized for the FSA payments will be based on the Base Period of SFY 2022 (July 1, 2021 – June 30, 2022).
- The Division will utilize the 2024 RAND report for the calculation of a statewide average commercial rate (ACR) to be included in the total MHAP payments.
- Hospitals that either do not submit the required attestation or are late in submitting the attestation for the QIPP components will be subject to a ten percent (10%) deduction from that quarterly portion of the calculated payment. The required attestation due dates are referenced in the annual QIPP calendar published on the Division’s website at <https://medicaid.ms.gov/value-based-incentives>. For hospitals that do not participate in a state-wide HIN or do not submit the required ADT information, that portion of the QIPP may be forfeited.

### **Reconciliation of Payments to Utilization During the State Fiscal Year**

- During March 2027, the Division expects to run encounter reports for the period July 1, 2025 – June 30, 2026, based on incurred dates of service with six months of runout through December 31, 2026.
- In April 2027, the Division expects to reconcile the interim payments made to hospitals compared to the encounters run during the state fiscal year 2026 (the rate year) and produce an updated hospital payment report.
- In May 2027, the Division expects to process the final SFY 2026 MHAP payments. All SFY 2026 final payment adjustments will be netted against the May 2027 MHAP (SFY 2027) payments made to hospitals. If necessary, the Division may extend the payment reconciliation amount over more than one month.

## Additional Provisions

- For hospitals that may have merged during SFY 2026, the hospital in operation at the time of the reconciliation payments in May 2027 will be responsible for adjustments related to interim payments to all hospitals prior to the merger.
- For any hospital that may cease operations during state fiscal year 2026, the interim payments to this hospital will be counted as final without any reconciliation payment.
- For any hospital that may be involved in bankruptcy proceedings during state fiscal year 2026, the Division will make interim payments and reconciliation payments only as available and directed by the bankruptcy court.
- Any Quality Incentive Payment Program (QIPP) reallocations that are needed due to hospital forfeitures during the state fiscal year are expected to be reconciled and adjusted in June 2026.
- For hospitals that begin operations during the state fiscal year, the Division may estimate the managed care inpatient discharge encounters and outpatient payments to make interim payments. For hospitals that experience material service line changes (such as opening or closing a Behavioral Health unit), the Division may estimate the impact on the managed care inpatient encounters and outpatient payments to adjust interim payments. The estimation of encounters from this section will apply to both Fee Schedule Adjustment (FSA) payments and FSA Incentive Payments (QIPP).

## Evaluation Strategies

The state's evaluation strategy will measure the directed payment plan's success in improving access to quality and appropriate health care services in a timely manner. To evaluate access and the success of the directed payments toward this goal, DOM will assess the following:

**Hospital Network Access:** DOM's targeted goal is to incur no loss of hospital provider participation. Active hospital provider participation in the MississippiCAN network as of June 30, 2026, will be compared to the active hospital provider participation as of July 1, 2025, as well as the baseline measurement as of July 1, 2018. Performance measurements will include an annual participation assessment in the network. Any decrease in hospital provider participation will be reviewed, and the reasons for the decrease will be explored and follow up will be conducted under DOM's direction. Any increase in hospital participation in the MississippiCAN program will also be noted.

**Potentially Preventable Hospital Return (PPHR) and Potentially Preventable Complication (PPC) Rates:** Hospitals will receive quarterly readmission and complication rate reports with a rolling two years' worth of data. These reports will be used in the assessment of hospitals' progress toward Targeted Improvement Goals. Assessment of hospitals' compliance with the requirements of the incentivized portion of the MHAP in SFY 2026 will be evaluated by receipt of inpatient hospital attestations indicating acceptance of the targeted improvement goal and receipt of quarterly PPHR and PPC reports from DOM. Hospitals that meet or exceed the

statewide targeted improvement goal during an annual performance assessment will be required to submit a corrective action plan to reduce their actual to expected PPHR and PPC ratios. The PPHR and PPC quality metrics will each include new cycles for reporting during this new rating period.

**Health Information Network (HIN):** In SFY 2026, DOM will ensure receipt of quarterly attestation of hospitals connection and participation in a statewide HIN and measure the number of hospitals successfully on-boarded to the State's HIN. DOM will monitor receipt of participating hospitals' admission, discharge, and transfer data for Medicaid beneficiaries to determine compliance with participation requirements.

**Ambulatory PPCs (AM PPC):** In SFY 2026, DOM will continue outpatient metric of Ambulatory Potentially Preventable Complications (AM PPC). Similar to the current metric of PPCs, which is based on inpatient services, this new metric will focus on outpatient services. This new metric will be incorporated into the QIPP quality measures. For SFY 2026 hospitals will be required to attest to their receipt and review of the quarterly AM PPC reports.