

## STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

STATE: MISSISSIPPIMETHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES –  
OTHER TYPES OF CAREOutpatient Hospital Services – For Rate Years Prior to October 1, 2005

Outpatient hospital services shall be reimbursed at a percentage of billed charges unless specified differently elsewhere in this Plan. The percentage paid is the lower of 75% of charges or the cost to charge ratio, as computed by Medicaid using the hospital's cost report. The cost to charge ratio shall be computed each year for use in the following rate year's payments. Adjustments to outpatient services claims may be made if the cost to charge ratio is adjusted as a result of an amended cost report, audit, or Medicare settlement. The cost to charge ratio for outpatient services will be computed under Title XVIII (Medicare) methodology, excluding bad debts and other services paid by Medicaid under a different rate methodology (i.e., Rural Health Clinic services and Federally Qualified Health Center services). Out-of-state hospitals shall be reimbursed at the lower of 75% of charges or the average cost to charge ratio of hospitals located in Mississippi for their classification, as computed by Medicaid.

Outpatient Hospital Services – For Rate Years Beginning October 1, 2005

For the rate year beginning October 1, 2005, the outpatient reimbursement rate shall be based upon the greater of (1) the facility's most recent outpatient cost to charge ratio for FFY 2005, or (2) the average of the facility's most recent outpatient cost to charge ratios for FFY 2004 and 2005. The resulting base percentage will then be increased by the percentage increase of the most recently published Medicare Economic Index (MEI). (For example: If the base rate is 35.74%, with an MEI of 3.0%, the increase would be  $3\% \times 35.74\%$ , or 1.07%, for a resulting new rate of  $35.74\% + 1.07\%$ , or 36.81%.) For rate years beginning October 1, 2006, and thereafter, the prospective outpatient rate for the immediately preceding rate year will be increased by the percentage increase of the then most recently published MEI (see preceding example). Facility outpatient reimbursement rates shall be trended forward in this manner annually until such time as a new methodology is adopted by the Division. In no case shall a facility's outpatient reimbursement rate exceed 75%. Rates determined under this methodology will not be subject to subsequent adjustment except in cases of error or omission, as defined by the Division, affecting the base year(s). Out-of-state hospitals shall be reimbursed at the average outpatient reimbursement rate of hospitals located in Mississippi for their classification, as determined by the Division.

Laboratory and Radiology Services

All outpatient laboratory services shall be reimbursed on a fee-for-service basis.

All outpatient radiology services shall be reimbursed on a fee-for-service basis.

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 TN NO 2005-013

Supersedes

TN NO 2002-22

Date Received \_\_\_\_\_

Date Approved \_\_\_\_\_

Date Effective 10/1/2005

Hospital-Based Clinics

Hospital-based clinics may not bill facility fees on the UB-92 unless they are a teaching hospital with a resident-to-bed ratio of .25 or greater.

Medicaid Upper Payment Limit

In addition to the reimbursement methodology described above, hospitals located within Mississippi may be reimbursed in accordance with the applicable regulations regarding the Medicaid upper payment limit. For each specified class of hospital (State government-owned or operated facilities, non-State government-owned or operated facilities, and privately owned and operated facilities), the amount that Medicare would have paid for the previous year will be calculated and compared to the payments actually made by Medicaid during that same time period. This calculation may then be used to make payments for the current year to hospitals eligible for such payments in accordance with applicable regulations regarding the Medicaid upper payment limit. Up to 100 percent of the difference between Medicaid payments and what Medicare would have paid may be paid to State government-owned or operated facilities, non-State government-owned or operated facilities, and privately owned and operated facilities, in accordance with applicable State and Federal laws and regulations, including any provision specified in appropriations by the Mississippi Legislature.

5% Reduction

Notwithstanding any other provision of this section, the Division of Medicaid, as required by State law, shall reduce the rate of reimbursement to providers for any service by five percent (5%) of the allowed amount for that service.

Requests for Rate Change

A hospital may appeal its prospective reimbursement rate to the Division of Medicaid whenever there is a significant, documented change in the overall cost of providing services. All requests for a change in the prospective rate will be considered; however, requests which do not result in a rate change of at least 5% will not be granted. The request must be submitted in writing to the Division of Medicaid, clearly identifying the grounds of the appeal and the dollar amount in question. Copies of documenting support for the appeal must be included. Facilities should make every effort possible to ensure that requests which do not meet the criteria are not submitted.

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