

**Mississippi Secretary of State**  
700 North Street P. O. Box 136, Jackson, MS 39205-0136

**ADMINISTRATIVE PROCEDURES NOTICE FILING**

AGENCY NAME Mississippi Division of Medicaid		CONTACT PERSON Kristi Plotner	TELEPHONE NUMBER (601) 359-6698
ADDRESS 550 High Street, Suite 1000		CITY Jackson	STATE MS
EMAIL Kristi.Plotner@medicaid.ms.gov		SUBMIT DATE 09/04/2012	ZIP 39201
Name or number of rule(s): Administrative Code Title 23; Division of Medicaid Part 202 Hospital Inpatient Services, Chapter 1 Rule 1.1 1.3, 1.4, 1.8 – 1.10, 1.13 – 1.16 and Chapter 4 Rules 4.1, 4.2, 4.4, 4.5, 4.7, 4.8, 4.12, 4.16 and 4.17			

Short explanation of rule/amendment/repeal and reason(s) for proposing rule/amendment/repeal: The MS Division of Medicaid's Administrative Code filing is to modify Title 23, Part 202 Chapter 1 Rules 1.1, 1.3, 1.4, 1.8 – 1.10, 1.13 – 1.16 and Chapter 4 Rules 4.1, 4.2, 4.4, 4.5, 4.7, 4.8, 4.12, 4.16 and 4.17 to reflect implementation of the Inpatient Hospital All Patient Refined Diagnosis Related Group (APR-DRG) payment methodology as authorized during the 2012 Legislative Session. This filing also removes the thirty (30) day inpatient hospital stay limit for adults.

Specific legal authority authorizing the promulgation of rule: MS Code §43-13-117(A)(1)(d)

List all rules repealed, amended, or suspended by the proposed rule: MS Code §43-13-117(A)(1)

**ORAL PROCEEDING:**

☒ An oral proceeding is scheduled for this rule on Date: 08/27/2012 Time: 1:00 p.m. Place: War Memorial

☐ Presently, an oral proceeding is not scheduled on this rule.

If an oral proceeding is not scheduled, an oral proceeding must be held if a written request for an oral proceeding is submitted by a political subdivision, an agency or ten (10) or more persons. The written request should be submitted to the agency contact person at the above address within twenty (20) days after the filing of this notice of proposed rule adoption and should include the name, address, email address, and telephone number of the person(s) making the request; and, if you are an agent or attorney, the name, address, email address, and telephone number of the party or parties you represent. At any time within the twenty-five (25) day public comment period, written submissions including arguments, data, and views on the proposed rule/amendment/repeal may be submitted to the filing agency.


**ECONOMIC IMPACT STATEMENT:**

☐ Economic impact statement not required for this rule. ☒ Concise summary of economic impact statement attached.

TEMPORARY RULES	PROPOSED ACTION ON RULES	FINAL ACTION ON RULES
<input type="checkbox"/> Original filing <input type="checkbox"/> Renewal of effectiveness To be in effect in _____ days Effective date: <input type="checkbox"/> Immediately upon filing <input type="checkbox"/> Other (specify): _____	Action proposed: <input type="checkbox"/> New rule(s) <input type="checkbox"/> Amendment to existing rule(s) <input type="checkbox"/> Repeal of existing rule(s) <input type="checkbox"/> Adoption by reference Proposed final effective date: <input type="checkbox"/> 30 days after filing <input type="checkbox"/> Other (specify): _____	Date Proposed Rule Filed: <u>08/06/2012</u> Action taken: <input checked="" type="checkbox"/> Adopted with no changes in text <input type="checkbox"/> Adopted with changes <input type="checkbox"/> Adopted by reference <input type="checkbox"/> Withdrawn <input type="checkbox"/> Repeal adopted as proposed Effective date: <input checked="" type="checkbox"/> 30 days after filing <input type="checkbox"/> Other (specify): _____

Printed name and Title of person authorized to file rules: David J. Dzielak, Ph.D., Executive Director

Signature of person authorized to file rules: \_\_\_\_\_

OFFICIAL FILING STAMP	DO NOT WRITE BELOW THIS LINE OFFICIAL FILING STAMP	OFFICIAL FILING STAMP
Accepted for filing by	Accepted for filing by	 Accepted for filing by <u>CB19099E</u>

The entire text of the Proposed Rule including the text of any rule being amended or changed is attached.



DELBERT HOSEMAN  
Secretary of State

**FILED**  
SEP 04 2012  
MISSISSIPPI  
SECRETARY OF STATE

### CONCISE SUMMARY OF ECONOMIC IMPACT STATEMENT

An Economic Impact Statement is required for this proposed rule by Section 25-43-3.105 of the Administrative Procedures Act. This is a Concise Summary of the Economic Impact Statement which must be filed with the Secretary of State's Office.

AGENCY NAME MS Division of Medicaid	CONTACT PERSON Kristi Plotner	TELEPHONE NUMBER 601-359-6698
ADDRESS 550 High Street, Suite 1000	CITY Jackson	STATE MS
EMAIL Kristi.Plotner@medicaid.ms.gov	ZIP 39201	
DESCRIPTIVE TITLE OF PROPOSED RULE: Administrative Code Title 23: Division of Medicaid Part 202 Hospital Inpatient Services, Chapter 1 Rule 1.1 1.3, 1.4, 1.8 – 1.10, 1.13 – 1.16 and Chapter 4 Rules 4.1, 4.2, 4.4, 4.5, 4.7, 4.8, 4.12, 4.16 and 4.17		
Specific Legal Authority Authorizing the promulgation of Rule: 43-13-117(A)(1)(d)		Reference to Rules repealed, amended or suspended by the Proposed Rule: 43-13-117(A)(1)

#### A. Estimated Costs and Benefits

1. Briefly summarize the benefits that may result from this regulation and who will benefit:

The Division of Medicaid proposes a change in hospital inpatient reimbursement from a per diem rate to an All Patient Refined Diagnostic Related Group (APR-DRG) methodology. Under the new method hospitals will be paid per inpatient stay based on APR-DRGs with every inpatient stay assigned to a single DRG that reflects the difficulty of the case. The 30 day hospital inpatient service limit will be discontinued. This change will improve access to care; increase fairness to hospitals; reward efficiency; improve purchasing clarity; and reduce administrative burden for hospitals and the Division of Medicaid.

2. Briefly describe the need for the proposed rule:

House Bill 421 passed in the 2012 Legislative Session authorized the Division of Medicaid to implement an APR-DRG hospital inpatient payment methodology. As noted in number one (1) above the change will improve access to care; increase fairness to hospitals; reward efficiency; improve purchasing clarity; and reduce administrative burden for hospitals and the Division of Medicaid.

3. Briefly describe the effect the proposed action will have on the public health, safety, and welfare:

Improved quality of health care delivery and access to care.

4. Estimated Cost of implementing proposed action:

- a. To the agency

☐ Nothing ☒ Minimal ☐ Moderate ☐ Substantial ☐ Excessive

- b. To other state or local government entities

☐ Nothing ☒ Minimal ☐ Moderate ☐ Substantial ☐ Excessive

5. Estimated Cost and/or economic benefit to all persons directly affected by the proposed rule:

- a. Cost:

☐ Nothing ☒ Minimal ☐ Moderate ☐ Substantial ☐ Excessive

- b. Economic Benefit:

☐ Nothing ☒ Minimal ☐ Moderate ☐ Substantial ☐ Excessive

6. Estimated impact on small businesses:

☒ Nothing ☐ Minimal ☐ Moderate ☐ Substantial ☐ Excessive

- a. Estimate of the number of small businesses subject to the proposed regulation:

- b. Projected costs for small businesses to comply:

- c. Statement of probable effect on impacted small businesses:

7. The cost of adopting the rule compared to not adopting the rule or significantly amending the existing rule (check option):

☐ substantially less than ☐ moderately less than ☐ minimally less than  
☐ the same as ☒ minimally more than ☐ moderately more than  
☐ substantially more than ☐ excessively more than

8. The benefit of adopting the rule compared to not adopting the rule or significantly amending the existing rule (check option):

☐ substantially less than ☐ moderately less than ☐ minimally less than  
☐ the same as ☒ minimally more than ☐ moderately more than  
☐ substantially more than ☐ excessively more than

---

#### B. Reasonable Alternative Methods

1. Other than adopting this rule, are there less costly or less intrusive methods for achieving the purpose of the proposed rule?

☐ yes ☒ no

2. If yes, please briefly describe available, reasonable alternative(s) and the reasons for rejecting those alternatives in favor of the proposed rule. (Please see §25-43-4.104 for factors you must consider.)

N/A

---

#### C. Data and Methodology

1. Please briefly describe the data and methodology you used in making the estimates required by this form.

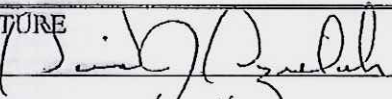
Inpatient Medicaid paid claims for the period October 2010 through March 2011 were analyzed and run through the APR-DRG grouper for a simulation of payments under the APR-DRG payment methodology. The parameters used in the APR-DRG payment methodology were set so that hospital reimbursement beginning October 1, 2012 will be budget neutral to the payments made during the six month period of time ending March 2011. Fiscal pressures facing the Division of Medicaid preclude an inflation adjustment for the 18-month interval.



D. Public Notice

1. Where, when, and how may someone present their views on the proposed rule and demand an oral proceeding on the proposed rule if one is not already provided?

Written comments were allowed be received by the Division of Medicaid, Office of the Governor, Walter Sillers Building, Suite 1000, 550 High Street, Jackson, MS 39201, thirty (30) days from the date of publication of public notice. All comments will be available for public review at the above address. A public hearing was held on this amendment on Monday, August 27, 2012, at the War Memorial, 1:00p.m.

SIGNATURE		TITLE	Executive Director
DATE	8/29/12	PROPOSED EFFECTIVE DATE OF RULE	October 1, 2012

**FILED**  
SEP 04 2012  
MISSISSIPPI  
SECRETARY OF STATE