Clinical Services:

A. Ambulatory Surgical Center Facility Services – Reimbursement for facility services in ambulatory surgical centers (ASC) is based on the principles described in Subpart C, 42 CFR Part 416, further modified by the Mississippi Medical Commission to be statewide rates at 80% of the group rates set by HCFA by publication in the Federal Register.

   In no instance will payments for services exceed the upper limits of the reasonable cost as determined under Title XVIII. All requirement of 42 CFR 447 will be met in making payments.

B. Birthing Center Services – Reimbursement for birthing center providers is based on a fee-for-service basis. To establish a fee for birthing centers services, the per diem of hospitals providing delivery services was added for monitoring. The total per diem rate was divided by the number of hospitals providing delivery services for the average per diem. The reimbursement to birthing centers for monitoring services is 80% of the average hospital per diem. To establish a fee for birthing centers for monitoring services prior to transfer to a hospital, the fee for monitoring services was divided by 24 for an hourly rate. This rate was multiplied by three to arrive at a fee for monitoring services prior to transfer to a hospital.

C. Other Clinic Services – Reimbursement is for clinics as defined in Section 41-3-15 (5) of the Mississippi Code of 1972, as amended. Reimbursement is based on cost reports submitted by the provider. The rate will be determined by dividing total reasonable cost by total encounters but will not exceed the upper limits specified in 42 CFR 447.321 through 447.325. The established rate setting period is July1 to June 30. An interim rate is paid until the end of the reporting period when there is a retrospective cost settlement. Actual reasonable costs reported on the cost report are divided by actual encounters by clinic type to determine the actual cost per encounter. Overpayments will be recouped from the provider, and underpayments will be paid to the provider.

Clinic services for EPSDT recipients, is medically necessary, which exceed the limitations and scope for Medicaid recipients, as covered in this Plan, are reimbursed according to the methodology in the above paragraph.

The Division of Medicaid, as required by state law, shall reduce the rate of reimbursement to providers for any service by ten percent (10%) of the allowed amount for that service.

Notice of Proposed Rule Adoption

State of Mississippi
Office of the Governor
Division of Medicaid

Economic Impact Statement
For
Ambulatory Surgical Center Providers

The Executive Director of Medicaid is required by law to recommend expenditure containments when expenditures are expected to exceed funds available for any fiscal year. Medicaid is facing a $90,000,000 shortfall in state revenues for FY2009; therefore, certain cost containment measures have been identified as necessary to balance Medicaid's budget. These measures include reducing certain non-institutional providers an additional 5% reduction in reimbursement in addition to the 5% reduction as outlined in Miss. Code Ann. § 43-13-117 (1972 as amended).

It is estimated that it will cost the Division of Medicaid approximately $5,000 to enforce the increased reduction in payments to providers. This includes system changes and staff time.

An estimate of the total economic impact for ambulatory surgical center providers, including small business providers, is noted in the chart below. The total economic impact for providers in State FY 2009 is equal to the sum of federal and state savings noted in the chart below. The Division of Medicaid estimated the impact utilizing the actual and estimated expenditures for the same services for FY2008.

FFY2008 Federal Savings	FFY2008 State Share Savings	FFY2009 Federal Savings	FFY2009 State Share Savings
$ 34,512.50	$ 10,726.06	$ 205,853.57	$ 65,577.82

The Division of Medicaid is facing a $90,000,000 shortfall in state revenues for FY2009. If this cost containment measure is not enacted, there will not be sufficient revenues to reimburse providers for the entire year.

State law limits cost containment measures that may be taken and precludes the Governor from changing eligibility or benefits; therefore, the only option is to reduce expenditures is to reduce payment.

Notice of Proposed Rule Adoption

State of Mississippi
Office of the Governor
Division of Medicaid

Economic Impact Statement
For
Free Standing Dialysis Providers

The Executive Director of Medicaid is required by law to recommend expenditure containments when expenditures are expected to exceed funds available for any fiscal year. Medicaid is facing a $90,000,000 shortfall in state revenues for FY2009; therefore, certain cost containment measures have been identified as necessary to balance Medicaid's budget. These measures include reducing certain non-institutional providers an additional 5% reduction in reimbursement in addition to the 5% reduction as outlined in Miss. Code Ann. § 43-13-117 (1972 as amended).

It is estimated that it will cost the Division of Medicaid approximately $5,000 to enforce the increased reduction in payments to providers. This includes system changes and staff time.

An estimate of the total economic impact for free standing dialysis providers, including small business providers, is noted in the chart below. The total economic impact for providers in State FY 2009 is equal to the sum of federal and state savings noted in the chart below. The Division of Medicaid estimated the impact utilizing the actual and estimated expenditures for the same services for FY2008.

FFY2008 Federal Savings	FFY2008 State Share Savings	FFY2009 Federal Savings	FFY2009 State Share Savings
$ 68,525.35	$ 21,296.84	$ 408,726.91	$ 130,206.25

The Division of Medicaid is facing a $90,000,000 shortfall in state revenues for FY2009. If this cost containment measure is not enacted, there will not be sufficient revenues to reimburse providers for the entire year.

State law limits cost containment measures that may be taken and precludes the Governor from changing eligibility or benefits; therefore, the only option is to reduce expenditures is to reduce payment.