

State of Mississippi
Title XIX Inpatient Hospital Reimbursement Plan

the initiation of treatment for that patient by that provider.

Reductions in provider payment may be limited to the extent that the following apply:

1. The identified provider-preventable conditions would otherwise result in an increase in payment.
2. The State can reasonably isolate for nonpayment the portion of the payment directly related to treatment for, and related to, the provider-preventable conditions.

Non-payment of provider-preventable conditions shall not prevent access to services for Medicaid beneficiaries.

The following method will be used to determine the related reduction in payments for hospital inpatient Health Care-Acquired Conditions and Other Provider Preventable Conditions which includes Never Events as defined by the National Coverage Determination for dates of service beginning on or after October 1, 2012, through June 30, 2014:

Once per quarter, paid claims identified in the Mississippi Medicaid Management Information System (MMIS) with a POA indicator of "N" or "U", will be run through a Medicare DRG Grouper, once without the appropriate POA indicator with the application of the Medicare list of Health Care-Acquired Conditions and Other Provider-Preventable Conditions, and once with the appropriate POA indicator with the application of the Medicare list of Health Care-Acquired Conditions and Other

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**Calculation of the Provider-Preventable Conditions (PPC)
 Reduction in Payment for Hospital Inpatient Services**

The following example reflects the calculation and application of the reduction in hospital inpatient payments for Provider-Preventable Conditions (PPC) including Health Care-Acquired Conditions (HCAC) and Other Provider Preventable Conditions (OPPC).

PPC Payment Reduction Calculation for Dates of Service beginning on or after October 1, 2012, through June 30, 2014 – Once quarterly a report will be run by the Division of Medicaid to identify those paid claims with a Present on Admission (POA) indicator of “N” or “U” with Health Care-Acquired Conditions and Other Provider Preventable Conditions. The payment reduction will be based on the Medicare DRG grouper for claims with dates of service on or after October 1, 2012, through June 30, 2014, as calculated below.

Col. A	Col. B	Col. C	Col. D	Col. E	Col. F	Col. G
Provider Number	TCN number	Dates of Service	Original XIX APR-DRG Allowed Amount per MMIS before PPC reduction	Medicare grouper payments for HCAC/OPPC w/o POA*	Medicare grouper payments for HCAC/OPPC with POA*	Reduction in XIX Payments for PPCs (Col. E – Col. F)
0022XX1	XXXXXXXXXXXXXXXXXX	10/01/12 – 10/14/12	\$8,144.63	\$11,500	\$12,800	(\$1,300)
00020X9	XXXXXXXXXXXXXXXXXX	10/10/12 – 10/14/12	\$6,374.68	\$5,720	\$5,720	(\$0)
00020X5	XXXXXXXXXXXXXXXXXX	11/09/12 – 11/14/12	\$5,695.10	\$6,000	\$6,540	(\$540)
0022XX4	XXXXXXXXXXXXXXXXXX	11/15/12 – 11/24/12	\$13,326.66	\$10,898	\$11,280	(\$382)
00020X4	XXXXXXXXXXXXXXXXXX	12/03/12 – 12/08/12	\$6,790.60	\$8,350	\$8,350	(\$0)
	Total		\$40,331.67	\$44,690	\$42,468	(\$2,222)

*Please note that the Medicare grouper payment amounts are for illustrative purposes only and do not reflect actual grouper amounts.

The original paid claims indicated above would be voided and reprocessed and manually re-priced to reflect the reduction in Column G. For instance, the first claim that originally paid \$8,144.63 would be voided and manually re-priced to pay \$6,844.63 (\$8144.63 - \$1,300.00). The payment reduction of \$1,300.00 would be recovered from the provider on their remittance advice.

PPC Payment Reductions for Dates of Service ending on or after July 1, 2014 – Effective for hospital inpatient dates of service ending on or after July 1, 2014, payment reductions for HCACs and Other Provider Preventable Conditions will be made through the claims payment system through the use of the 3M APR-DRG HCAC utility under the All Patient Refined Diagnosis Related Group payment methodology.