

Public Notice Regarding Hospital Outpatient Settlements

June 30, 2021

Pursuant to Sections 1902(a) 13(A) of the Social Security Act, 42 Code of Federal Regulations (CFR) 447.205 which mandate that proposed changes in statewide Medicaid payment methods and standards for setting Medicaid payment rates be published and made available for review and comment, this is to advise that:

1. The Missouri Department of Social Services provides notice of the following:

13 CSR 70-15.040 Hospital Outpatient Settlements is amended in conjunction with the State Plan Amendment Attachment 4.19B Appendix A, the MO HealthNet Division (MHD) is removing all references to Provider-Based Rural Health Clinic (PBRHC) settlements and Provider-Based Federally Qualified Health Clinic (PBFQHC) settlements, and clarifying outdated terms, language and provisions regarding hospital outpatient settlements. The MHD estimates that there will be no fiscal impact as a result of these changes.

- A. Hospital outpatient settlements are only determined for new hospitals and nominal charge providers.
- B. Definitions
 - a. New hospitals. A hospital that does not have a fourth prior year cost report necessary for establishment of a prospective rate will have a final settlement calculated for their initial three (3) cost report periods.
 - b. Nominal charge provider. A nominal charge provider must meet one of the following criteria:
 1. An acute care hospital with an unsponsored care ratio of at least sixty-five percent (65%) and is licensed for fifty (50) inpatient beds or more and has an occupancy rate of more than forty percent (40%). The unsponsored care ratio is determined as the sum of bad debts and charity care divided by total net revenue. The hospital must meet one (1) of the federally mandated Disproportionate Share qualifications; or
 2. A public non-state governmental acute care hospital with a low income utilization rate (LIUR) of at least fifty percent (50%) and a Medicaid inpatient utilization rate (MIUR) greater than one standard deviation from the mean, and is licensed for fifty (50) inpatient beds or more and has an occupancy rate of at least forty percent (40%); or

Interpretive services are available by calling the Participant Services Unit at 1-800-392-2161.
Prevodilačke usluge su dostupne pozivom odjela koji učestvuje u ovom servisu na broj 1-800-392-2161.
Servicios Interpretativos están disponibles llamando a la unidad de servicios de los participantes al 1-800-392-2161.

AUXILIARY AIDS AND SERVICES ARE AVAILABLE UPON REQUEST TO INDIVIDUALS WITH DISABILITIES

TDD / TTY: 800-735-2966

RELAY MISSOURI: 711

3. The hospital is a public hospital operated by the Department of Mental Health primarily for the care and treatment of mental disorders.

C. Hospital Outpatient Settlements will be calculated as follows:

- a. The hospital's Medicaid outpatient cost will be determined by multiplying the overall outpatient cost-to-charge ratio, determined in accordance with section III.A.1., by the Medicaid charges from section I.C. To this product will be added the Medicaid outpatient share of Graduate Medical Education (GME) to arrive at the total outpatient Medicaid cost. The GME will be determined during the Medicaid cost report audit. The Medicaid payments from section I.C. will be subtracted from the total outpatient Medicaid cost to determine the final overpayment or underpayment.
 - i. The overall outpatient cost-to-charge ratio will be determined by multiplying the outpatient charges for each ancillary cost center excluding PBRHC or PBFQHC on worksheet C part 1 column 7 or by the appropriate cost-to-charge ratio from worksheet C part 1 column 9 for each cost center. Total the outpatient costs from each cost center and total the outpatient charges from each cost center. Divide the total outpatient costs by the total outpatient charges to arrive at the overall outpatient cost-to-charge ratio.

D. IV. Under no circumstances will the Division accept amended cost reports for final settlement determination or adjustment after the date of the Division's notification of the final settlement amount.

2. Comments may be sent by regular mail, express or overnight mail, in person or by courier within thirty days after publication of this notice and must be sent or delivered to the following address:

MO HealthNet Division
615 Howerton Ct., 2nd Floor
Jefferson City, MO 65109
Attention: Christina Jenks

Comments may also be emailed to Ask.MHD@dss.mo.gov. Please use "Public Comment for Hospital Outpatient Settlements" in the subject line. Comments must be received by July 30, 2021.

3. A copy of the proposed Hospital Outpatient Settlement State Plan Amendment is available for public review by contacting the Department of Social Services, MHD at Ask.MHD@dss.mo.gov. These documents may also be viewed online at <https://dss.mo.gov/mhd/alerts~public-notice.htm>.