

DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S3-14-28
Baltimore, Maryland 21244-1850



Financial Management Group

December 13, 2024

Stuart Portman
Executive Director
Medical Assistance Plans Division
2 Martin Luther King Jr. Drive SE
East Tower, 19th Floor
Atlanta, Georgia 30334

RE: TN GA-24-0011

Dear Director Portman:

The Centers for Medicare & Medicaid Services (CMS) has reviewed the proposed Georgia state plan amendment (SPA) to Attachments 4.19-A and 4.19-B, GA-24-0011, which was submitted to CMS on September 30, 2024. This plan amendment extends the current hospital provider payment program through June 30, 2030, per the provisions of O.C.G.A. §31-8-179.6. This applies to inpatient and outpatient hospital services.

We reviewed your SPA submission for compliance with statutory requirements, including in sections 1902(a)(2), 1902(a)(13), 1902(a)(30), and 1903 as it relates to the identification of an adequate source for the non-federal share of expenditures under the plan, as required by 1902(a)(2) of the Social Security Act and the applicable implementing Federal regulations.

Based upon the information provided by the state, we have approved the amendment with an effective date of August 9, 2024. We are enclosing the approved CMS-179 and a copy of the new state plan pages.

If you have any additional questions or need further assistance, please contact James Francis at 857-357-6378 or via email at James.Francis@cms.hhs.gov, or Ysabel Gavino at 667-290-8856 or via email at Maria.Gavino@cms.hhs.gov.

Sincerely,

A handwritten signature in cursive script that reads 'Rory Howe'.

Rory Howe
Director
Financial Management Group

Enclosures

**METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES
INPATIENT SERVICES**

Hospitals in the statewide peer group have hospital specific base rates calculated from the statewide base rate with adjustments for Medicaid utilization (MIUR), medical education (IME) if applicable, and a stop-loss/stop-gain factor if applicable.

Hospitals in the pediatric peer group have hospital specific base rates calculated from the statewide base rate with adjustments for Medicaid utilization (MIUR), medical education (IME) if applicable, the Pediatric Peer Group Add-On Amount, and a stop-loss/stop gain factor if applicable.

The statewide base rate is the average cost of claims in the base data for hospitals in the statewide peer group, adjusted for budget neutrality.

The Pediatric Peer Group Add-On Amount is the difference between the average cost of claims in the pediatric peer group, adjusted for budget neutrality and the average cost of claims in the statewide peer group, adjusted for budget neutrality.

The stop-loss/stop-gain factor adjusts hospital specific base rates such that the hospital does not experience a loss due to the rebasing and does not experience a gain greater than 4.01% due to the rebasing.

For admissions on or after January 1, 2024, the stop-loss/stop-gain factor adjusts hospital specific base rates such that the hospitals estimated reimbursement using the data and logic found on page 4.19a, page 6a is budget neutral to the reimbursement as of December 31, 2023.

2. Hospital Provider Fee Add-On Amount

For admissions on or after July 1, 2013 through June 30, 2030:

Effective July 1, 2013, an adjustment to hospital inpatient base rates, capital add-on and GME add-on rates will be added to hospitals' inpatient rates. Critical Access Hospitals (CAHs), Psychiatric Hospitals and State-Owned / State-Operated Hospitals are exempt from the provider fee and the rate adjustment. Trauma hospitals will participate in the provider fee but at a lower percentage than other participating hospitals. The table below shows the provider fee and associated rate increase for different classes of hospitals.

Effective on or after July 1, 2015 an adjustment to the Graduate Medical Education (GME) Supplemental Payments (see Section D1) will be made for participating GME hospitals that are not exempt from the provider fee and rate adjustment and as detailed in the table below.

POLICY AND METHODS FOR ESTABLISHING PAYMENT RATES FOR OTHER
TYPES OF CARE OR SERVICE

Effective for dates of service on and after July 1, 2013, through June 30, 2030, the payment method is modified as follows:

- a. For enrolled hospitals other than those identified in items band c below, the reimbursement rate is 95.77% of costs.
- b. For out-of-state enrolled hospitals, payments are made at the statewide average percentage of charges paid to Georgia hospitals that are reimbursed at 85.6% of costs and are not subject to cost settlement. The payment rate for out-of-state enrolled hospitals will not exceed 65% of covered charges.
- c. For hospitals that are designated as a Critical Access Hospital, a historically minority-owned hospital, or as a state-owned hospital, the reimbursement rate continues at 100% of costs.

Example settlement calculation for critical access, historically minority owned hospital, or state-owned hospitals:

Percentage of charges paid on interim basis	60%
Charges for services provided during cost report period	\$1,000,000
Interim payments	\$600,000
Retrospective determination of allowable costs*	\$585,000
% of allowable costs reimbursed	100%
Retrospective determination of reimbursable costs	\$585,000
Settlement amount due from hospital	\$15,000

Example settlement calculation for all other enrolled Georgia hospitals:

Percentage of charges paid on interim basis	52%
Charges for services provided during cost report period	\$1,000,000
Interim payments	\$520,000
Retrospective determination of allowable costs*	\$585,000
%of allowable costs reimbursed	95.77%
Retrospective determination of reimbursable costs	\$560,250
Settlement amount due from hospital	\$24,750

* amount would not exceed charges for services

14. Governmental facilities and Critical Access eligible hospitals which meet departmental requirements will be eligible for rate payment adjustments. The rate adjustment payments are intended to provide supplemental funding for Medicaid services to these facilities that based on their governmental status,