TITLE 13 – DEPARTMENT OF SOCIAL SERVICES
Division 70 – MO HealthNet Division
Chapter 15 – Hospital Program

EMERGENCY AMENDMENT

13 CSR 70-15.015 Supplemental Payments. The division is amending sections (1), (7), (8), and (9).

PURPOSE: This amendment removes the definition for state-deemed critical access hospitals, and updates language related to the stop-loss payment, psych adjustment payment, and direct graduate medical education payment.

*EMERGENCY STATEMENT: The Department of Social Services (DSS), MO HealthNet Division (MHD) finds that this emergency amendment is necessary to preserve a compelling governmental interest as it allows the State Medicaid Agency to continue to pay hospitals supplemental payments to cover the costs of Medicaid services provided to Missouri participants. These supplemental payments to Missouri hospitals are integral to sustaining hospital services to Medicaid participants. These supplemental payments support Critical Access Hospitals, safety net hospitals, and teaching hospitals, which provide necessary services to low-income, uninsured, and underserved populations. These Medicaid payments allow hospitals to provide sufficient medical care to Medicaid participants. Additionally, components of the payment methodology are calculated on an annual state fiscal year basis. This requires that the new payment system be in effect beginning July 1, 2026. Failure to do so would likely result in significant underpayment or overpayment to Missouri hospitals. As a result, the MHD finds a compelling governmental interest in providing these payments to hospitals by July 1, 2026, which requires an early effective date. A proposed amendment, which covers the same material, will be published in the September 1, 2026, issue of the **Missouri Register**. The scope of this emergency amendment is limited to the circumstances creating the emergency and complies with the protections extended by the **Missouri** and **United States Constitutions**. The MHD believes this emergency amendment to be fair to all interested parties under the circumstances. The emergency amendment was filed July 27, 2026, effective Aug. 10, 2026, and expires Feb. 25, 2027.*

(1) Definitions.

[(H) State-deemed critical access hospital (CAH). A public hospital located in a county in the Missouri Bootheel with no more than one hundred five (105) acute care inpatient beds.]

(7) Stop-Loss Payment (SLP) for Hospitals That Are Reimbursed Under the APR-DRG Reimbursement Methodology.

(A) Beginning with SFY 2026 hospitals that are paid under the APR-DRG and meet the requirements set forth below shall receive a SLP.

1. Total estimated Medicaid claims-based payments from the DRG base year are calculated. The DRG claims based system is calculated based on 13 CSR 70-15.010(6). The FFS supplemental payments for the most recent SFY are added to each hospital's estimated reimbursement.

2. The estimated DRG payments are then subtracted from the per diem repriced claims plus the FFS supplemental payments to get an estimated difference in reimbursement.

3. If the estimated DRG payment is greater than the per diem repriced claims plus the FFS supplemental payments, then no SLP will be calculated.

4. If the estimated DRG payment is less than the per diem repriced claims plus the FFS supplemental payments, then a SLP will be calculated to hold a hospital to a maximum *[of a one and seven thousand five hundred forty-five ten thousandths percent (1.7545%)]***percentage** estimated loss **set annually by the division**.

5. SLP special considerations.

A. If the following hospital types are eligible for a SLP, then their stop loss is held to zero percent (0%):

(I) Federally deemed CAHs; **and**

(II) Safety net hospitals as defined in subparagraph (13)(A)1.A.*[; and*

(III) State-deemed CAHs.]

6. The annual SLP will be calculated for each hospital at the beginning of each SFY. The annual amount will be processed over the number of financial cycles during the SFY.

7. The SLP calculations are based on a prospective estimate using historical claims data and will not be trued up with actual claims data at the end of the SFY.

(8) Psych Adjustment (PA) Payment.

(A) Beginning with SFY 2026, hospitals that have FFS psychiatric hospital days as identified in the MMIS shall receive a PA payment.

1. The PA payment is a set dollar amount appropriated by the General Assembly pursuant to section 11.780 of CCS SS SCS HCS HB *[11 (2025)]***2011 (2026) less any amount withheld by the Governor**, and distributed to eligible hospitals proportionately as follows:

A. The FFS psychiatric hospital days for each hospital will be divided by the total FFS psychiatric hospital days for all hospitals to determine a percentage for each hospital. This percentage will then be multiplied by the set dollar amount in paragraph (8)(A)1. to determine the PA payment. The FFS psychiatric hospital days are paid days from the second prior calendar year.

2. The annual final PA payment will be calculated for each eligible hospital at the beginning of each SFY. The annual amount will be paid out over the number of financial cycles during the SFY.

(9) Medicaid Direct Graduate Medical Education (GME) Payments. Beginning with SFY 2023, a GME payment calculated as the sum of the intern and resident based GME payment and the GME stop-loss payment shall be made to any *[acute care]* **in-state** hospital that provides graduate medical education.

AUTHORITY: sections 208.201 and 660.017, RSMo 2016, and sections 208.152 and 208.153, RSMo Supp. 2025. *This rule was previously filed as part of 13 CSR 70-15.010. Emergency rule filed April 30, 2020, effective May 15, 2020, expired Feb. 24, 2021. Original rule filed April 30, 2020, effective Nov. 30, 2020. For intervening history, please consult the* ***Code of State Regulations***. *Emergency amendment filed July 27, 2026, effective Aug. 10, 2026, and expires Feb. 25, 2027. An emergency and proposed amendment will be published in the September 1, 2026, issue of the* ***Missouri Register***.

PUBLIC COST: This emergency amendment will cost state agencies or political subdivisions approximately $1.3 million in the time the emergency is effective.

PRIVATE COST: This emergency amendment will not cost private entities more than five hundred dollars ($500) in the time the emergency is effective.

FISCAL NOTE
PUBLIC COST

I. **Department Title:** 13 Social Services
Division Title: 70 MO HealthNet Division
Chapter Title: 15 Hospital Program

Rule Number and Name:	13 CSR 70-15.015 Supplemental Payments
Type of Rulemaking:	Emergency Amendment

II. SUMMARY OF FISCAL IMPACT

Affected Agency or Political Subdivision	Estimated Cost of Compliance in the Aggregate
Other Government (Public) & State Hospitals enrolled in MO HealthNet - 37	**Estimated cost for 6 months of SFY 2027: $319 thousand**
Department of Social Services, MO HealthNet Division	**Estimated cost for 6 months of SFY 2027: Total $1.3 million;**

III. WORKSHEET

Other Government (Public) Hospitals Impact	
Estimated Cost for 6 Months of SFY 2027	
	Total
Estimated Cost to Public Hospitals	$318,863
State Share Percentage	35.455%
State Share	$113,053

Department of Social Services, MO HealthNet Division Cost:	
Estimated Cost for 6 Months of SFY 2027:	
	Total
Estimated Cost to MHD	$1,280,438
State Share Percentage	35.455%
State Share	$453,979

IV. ASSUMPTIONS

The fiscal impact was calculated by taking the difference between the SFY 2026 payments and the SFY 2027 payments.