

ICAHN

IL Medicaid Hospital Rate Reform

May 13, 2014

3M All Patient Refined Diagnostic Related Groups (APR DRGs)

Version 30

APR DRG

- Two components of the APR DRG
- 1) Grouper – Not specific to IL Medicaid
- 2) Reimbursement – Specific to IL Medicaid

MS-DRG to APR DRG Comparison

Category	MS-DRG	APR DRG
Data requirements	Diagnoses, procedures, age, sex, discharge status	Diagnoses, procedures, age, sex, discharge status & birthweight
MDCs	Pre-MDC & 25 MDCs	Pre-MDC & 25 MDCs
Number of base DRGs	751 (749 + 2 error DRGs)	1258 (314 base DRGs x 4 subclasses + 2 error DRGs)
DRG representation	3 byte DRG field	3 byte base DRG field + 1 byte field for SOI + 1 byte field for ROM

MS-DRG to APR DRG Comparison

Category	MS-DRG	APR DRG
DRG severity	Major CC CC Non-CC	Base DRG + SOI & ROM subclasses: 1 – Minor 2 – Moderate 3 – Major 4 - Extreme
Diagnoses	3 levels: Major CC CC Non-CC	4 levels for SOI & 4 levels of ROM: 1 – Minor 2 – Moderate 3 – Major 4 - Extreme

MS-DRG to APR DRG Comparison

Category	MS-DRG	APR-DRG
Newborns – MDC 15	PDX assigned to MDC 15 regardless of the age of the patient	0-7 days at admission + subset of 8-14 days. Total APR DRGs = 108 (27 base DRG X 4 subclasses)
Age Splits	None	Base DRG are not differentiated by age but SOI & ROM subclasses modified by patient age.
Discharge Status	MDC 5 (died) MDC 15 (transferred, died) MDC 20 (LAMA)	MDC 15 (transferred only) MDC 20 (LAMA)

MS-DRG to APR DRG Comparison

Category	MS-DRG	APR-DRG
Present on Admission (POA) indicator	Used only for evaluation of HACs	Used for admission APR DRG assignment

Inpatient Cost Outliers

- Children's hospitals are moving to the APR DRG reimbursement methodology instead of the per diem payment methodology.
- Children's hospitals will now get the cost outlier calculated in the APR DRG system.
- 80% of the cost threshold for Severity of Illness (SOI) 1 & 2 and 95% for SOI 3 & 4.

Inpatient Cost Outliers

- If a claim qualifies for an outlier based on an exceptionally costly stay, the outlier payment is based on the severity of illness the claim groups into.

Inpatient Cost Outliers

- Hospital specific cost-to-charge ratios are applied to the covered charges for a case to determine whether the costs of the case exceed the fixed-loss outlier threshold.
- IL Medicaid will now use the Medicare 2014 cost-to-charge ratios.

Interim Claims

- Any interim claims that have been paid with dates of service prior to July 1, 2014 must be voided.
- The entire admission rebilled as an admission through discharge claim, after the patient is discharged.

Transplant Services

- Inpatient transplants will no longer have day restrictions relating to pre-transplant claims, the actual transplant claim and post-transplant claims.
- Inpatient transplants will be billed admission through discharge on one claim.
- Transplant claims still must be submitted to the transplant coordinator.

eQHealth Prepayment DRG Reviews (Attachment D)

eQHealth Prepayment DRG Reviews (Attachment D)

- With the implementation of the APR DRGs, HFS will soon release a new listing of APR DRGs that will be reviewed by eQHealth.

DRG Reported on the Claim

- The DRG that is reported on the institutional claim form will not impact reimbursement.



Questions & Answers