

Medicaid Advisory Hospital Group



Division of Medicaid Services
Bureau of Rate Setting

October 3, 2019
Wisconsin Department of Health Services

Agenda

1. Introduction and Welcome
2. Potentially Preventable Readmissions
3. Hospital Payment Rate Year 2020 Updates
4. Additional Updates
5. Questions
6. Adjournment





Potentially Preventable Readmissions

Measurement Year 2018 Potentially Preventable Readmissions

- Final results available today
- Summary

MY18 PPR Final Results Compared to FFY16 Estimated Results		
	FFY16 Estimated Results	MY18 Final Results
Cost of PPRs Across all Hospitals (per 3M software)	\$ 31,094,629	\$ 28,072,141
Withhold Total	\$ 20,772,711	\$ 11,648,037
Statewide Average Cost Per PPR	\$ 13,070	\$ 15,191
Dollars Redistributed as Incentive	\$ 5,539,618	\$ 1,951,311
Count of Providers that Gain	48	74
Count of Providers that Lose	53	28
Readmission Rate (All Providers)	7.54%	7.35%
Readmission Rate (Eligible Providers)	7.25%	6.94%



Measurement Year 2018 Potentially Preventable Readmissions

Top 10 Primary Diagnosis Codes by Total Claim Count (Only Initial Admissions)

Primary Dx Code	Claim Code	Primary Dx Code Desc
A419	73	SEPSIS, UNSPECIFIED ORGANISM
F10239	59	ALCOHOL DEPENDENCE WITH WITHDRAWAL, UNSPECIFIED
Z3800	45	SINGLE LIVEBORN INFANT, DELIVERED VAGINALLY
E1010	41	TYPE 1 DIABETES MELLITUS WITH KETOACIDOSIS WITHOUT COMA
J441	32	CHRONIC OBSTRUCTIVE PULMONARY DISEASE W (ACUTE) EXACERBATION
D5700	31	HB-SS DISEASE WITH CRISIS, UNSPECIFIED
F332	29	MAJOR DEPRESSV DISORDER, RECURRENT SEVERE W/O PSYCH FEATURES
F329	26	MAJOR DEPRESSIVE DISORDER, SINGLE EPISODE, UNSPECIFIED
J9621	22	ACUTE AND CHRONIC RESPIRATORY FAILURE WITH HYPOXIA
J9601	22	ACUTE RESPIRATORY FAILURE WITH HYPOXIA



Measurement Year 2018 Potentially Preventable Readmissions

- ❑ MY 2018 fee-for-service summary results were distributed to providers yesterday (10/2/19)
- ❑ Detailed chain data will follow in the coming days
- ❑ DHS will hold additional meetings with hospital quality staff to discuss MY 2018 findings and PPR reduction efforts going forward



2020 - Potentially Preventable Readmissions

- ❑ Currently reviewing PPR policy for next measurement year
- ❑ Updated P4P Guide to be released this fall
- ❑ Q3 2019 working data will be posted to the Forward Health Portal and Spotfire Data Dashboard by 11/15/2019

Note: Small volume exempt providers will be updated based on new data





Hospital Payment Rate Year 2020 Updates

Rate Year 2020

Goals and Policy Overview

- ❑ Update to newer inpatient and outpatient grouper versions, while limiting methodology changes
- ❑ Inflated hospital rates (3.3%)
- ❑ Wage index assignment for out-of-state border status providers updated
- ❑ Continue monitoring IP outlier payments (as percentage of total payments)



Rate Year 2020 Data Sources

Discussed at MAHG Meeting 6/25/19

Data Sources and Groupers:

- ❑ Claims data extract for rate setting is from week of March 27, 2019
- ❑ CMS HCRIS released on 03/31/2019 reflects the most currently available cost reports
- ❑ Grouper versions updates:
 - APR DRG v36 (Normalization factor of 1.3434 applied)
 - EAPG v3.14



Rate Year 2020 Updates

Discussed at MAHG Meeting 6/25/19

APR DRG v36

Revised DRGs		
	Description under v35	Description under v36
589	Neonate bwt <500g OR gestational age <24 weeks	Neonate bwt < 500g, or bwt 500-999g & gestational age <24 wks, or bwt 500-749g w major anomaly or w/o life sustaining intervention



Rate Year 2020 Updates

Discussed at MAHG Meeting 6/25/19

EAPG v3.14

- ❑ 44 newly added EAPG codes
- ❑ 40 deleted EAPG codes



Rate Year 2020 Updates

Discussed at MAHG Meeting 6/25/19

Methodologies

- ❑ Cost to Charge ratio (CCR) and wage index
- ❑ Provider-specific file used for CCRs
- ❑ CMS final rule used for wage index, reflecting all adjustments including reclassification
- ❑ GME methodology unchanged
- ❑ Revenue code crosswalks are available on Forward Health
- ❑ Policy Adjusters under APR DRG- service line mapping available on Forward Health



Rate Year 2020

Inpatient Policy Adjusters

Policy Adjusters Unchanged:

Policy Adjuster	Claim Identification Basis	Factor
Neonate	DRG	1.30
Normal Newborn	DRG	1.80
Pediatric	Age (17 and under)	1.20
Transplant	DRG	1.50
Level I Trauma Services	Provider trauma designation	1.30

Notes:

- ❑ DRG service line mapping is available on Forward Health
- ❑ Model applies highest applicable factor to each claim (for claims that qualify for multiple policy adjusters)

Rate Year 2020

IP Budget Pool Development

Provider Type	R Y19 Rate Pools (Using FFY18 Data)	R Y20 Rate Pools (Using FFY18 Data)	Notes
CAH	\$ 52,621,288	\$ 50,794,135	Based on 100% of estimated RY20 claims cost
Per Diem (Psych., Rehab., and LTAC)	\$ 89,120,429	\$ 89,121,871	Based on 85.08% of estimated RY20 claims cost
Acute	\$ 825,935,999	\$ 862,893,846	Base Rate inflated based on CMS market basket; increase of approximately 3.3%
Total	\$ 967,677,716 (A)	\$ 1,002,809,852 (B)	

Total Money Added to System	\$ 35,265,685 (B-A)	
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Rate Year 2020

Inpatient Outlier Updates

- No change to outlier payment methodology

Criteria	RY19 Outlier Values	RY20 Outlier Values
Critical Access	\$300	\$300
In-State, <100 Beds	\$46,588	\$46,588
In-State, ≥100 Beds & Border Providers	\$46,588	\$46,588
Severity of Illness 1 or 2 Marginal Percentage	80%	80%
Severity of Illness 3 or 4 Marginal Percentage	95%	95%



Rate Year 2020

Inpatient Rate Handouts

- **Handout 1:**
RY20 Per Diem Rates

- **Handout 2:**
RY20 Wisconsin IP-CAH Rates

- **Handout 3:**
RY20 Wisconsin IP-Acute Care Rates



Rate Year 2020

OP Budget Pool Development

Provider Type	2019 Rate Pools (Using FFY18 Data)	2020 Rate Pools (Using FFY18 Data)	Notes
CAH	\$ 110,070,023	\$ 114,461,783	Based on 100% of estimated RY19 claims cost
Non-CAH	\$ 204,208,166	\$ 207,104,533	Base Rates inflated based on CMS market basket; increase of approximately 3.3%*
Total	\$ 314,278,189 (A)	\$ 321,566,316 (B)	

Total Money Added to System	\$ 7,288,127 (B-A)	
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*Non-CAH base rates are impacted by GME add-on calculation (using the same methodology as prior years).



Rate Year 2020

Outpatient Rate Handouts

- **Handout 4:**
RY20 Wisconsin OP-CAH Rates

- **Handout 5:**
RY20 Wisconsin OP-Non-CAH Rates





Additional Rate Year 2020 Updates

Additional Updates

- State Budget 2019-2021
 - Disproportionate Share Hospital payments
 - SFY 2020 Q1 & Q2 payments expected to occur in December
 - Rural Critical Care payments
 - Increase from \$250,000 to \$2,250,000 GPR plus the federal share
 - Change from percentage of Medicaid inpatients days to percentage of Medicaid charges for payment eligibility will mean more providers will receive this payment



Additional Updates

- ▣ LARC payment rate (presented in June meeting)
 - ▣ Current rate: \$721.87
 - ▣ New rate on January 1, 2020: \$859.80



Additional Updates

- Disproportionate Share Hospital (DSH) Audits
 - Myers and Stauffer is finalizing the SFY 2016 audit
 - Initial audit results have been distributed to providers
 - SFY 2017 audit
 - Surveys to be sent out in early/mid October
 - Targeting to send out the data by the end of November



Additional Updates

- BadgerCare Reform: Emergency Room Copay
 - 2017 Wisconsin Act 370 requires the Department to implement an \$8 copay for non-emergent ER visits by childless adults
 - Planned implementation date: February 1, 2020
 - DHS will hold a meeting to gather stakeholder input on implementation details
 - Email michelle.prost1@dhs.wisconsin by October 11th if interested in attending



Additional Updates

- ❑ Rate sheets will be available on the ForwardHealth Portal next week
- ❑ Providers have 60 days to appeal their inpatient or outpatient rates
- ❑ Appeal criteria listed in §12200 of the Inpatient Hospital State Plan and §6200 of the Outpatient Hospital State Plan
- ❑ Randy McElhose is the contact for rate documentation questions
 - [Email: Randy.McElhose@dhs.wisconsin.gov](mailto:Randy.McElhose@dhs.wisconsin.gov)
 - Phone: (608) 267-7127





Questions

Questions

All questions can be sent by email to:
DHSDMSBRS@dhs.wisconsin.gov

