

# Medicaid Advisory Hospital Group



Division of Medicaid Services  
Bureau of Fiscal Management

October 16, 2018

Wisconsin Department of Health Services

# Agenda

1. Introduction and Welcome
2. Hospital Payment Rate Year 2019 Updates
3. Potentially Preventable Readmissions
4. Other Payment Updates
5. Opportunities for Questions and Comments
6. Adjournment





# **Hospital Payment Rate Year 2019 Updates**

# Rate Year 2019 Policy Overview

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- Update to Newer Inpatient and Outpatient Grouper Versions
- Limit Payment System Changes
- Increase Total Budget Pool to Reflect Inflation
- Continue Reducing IP Outlier Payments (as Percentage of Total Payments):  
40% (2016) → 20% (2017/18) → 14% (2019)



# Rate Year 2019

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## Discussed at MAHG Meeting 6/7/18

### Data Sources and Groupers

- ❑ Claims Data Extract for Rate Setting is from Week of May 23, 2018
- ❑ CMS HCRIS Released on April 16, 2018  
04/16/2018
- ❑ Grouper Versions Updates:
  - APR DRG v35
  - EAPG v3.13



# Rate Year 2019

## Discussed at MAHG Meeting 6/7/18

### APR DRG v35

New DRGs		Retired DRGs	
010	HEAD TRAUMA WITH DEEP COMA	003	BONE MARROW TRANSPLANT
059	ANOXIC & OTHER SEVERE BRAIN DAMAGE	004	TRACHEOSTOMY W MV 96+ HOURS W EXTENSIVE PROCEDURE OR ECMO
145	ACUTE BRONCHITIS AND RELATED SYMPTOMS	070	ORBITAL PROCEDURES
426	NON-HYPOVOLEMIC SODIUM DISORDERS	080	ACUTE MAJOR EYE INFECTIONS
427	THYROID DISORDERS	090	MAJOR LARYNX & TRACHEA PROCEDURES
810	HEMORRHAGE OR HEMATOMA DUE TO COMPLICATION	093	SINUS & MASTOID PROCEDURES
817	OVERDOSE	221	MAJOR SMALL & LARGE BOWEL PROCEDURES



# Rate Year 2019

Discussed at MAHG Meeting 6/7/18

EAPG v3.13\*

New EAPGs	
78	LEVEL I VASCULAR LIGATION, REPAIR AND RECONSTRUCTION
79	LEVEL I PERIPHERAL VASCULAR AND TRANSCATHETER PROCEDURES
101	LEVEL III CARDIOTHORACIC PROCEDURES W OR W/O VASCULAR DEVICE
260	CASE MANAGEMENT AND CARE PLANNING SERVICES
493	ANCILLARY THERAPEUTIC SERVICES
1030	AMBULANCE SERVICES

*\*No Retired EAPGs*



# Rate Year 2019

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## Discussed at MAHG Meeting 6/7/18

### 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
- ❑ Revenue Code Crosswalks  
*Crosswalks available on Forward Health*
- ❑ Policy Adjusters under APR DRG  
*Service Line mapping available on Forward Health*





# Rate Year 2019

## Inpatient Policy Adjusters

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### Policy Adjusters

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 2019

## IP Budget Pool Development

Provider Type	RY18 Rate Pools	RY19 Rate Pools	Notes
<b>CAH</b>	\$ 51,913,842	\$ 52,698,192	Based on 100% of estimated RY19 claims cost
<b>Per Diem</b> (Psych., Rehab., and LTAC)	\$ 73,897,445	\$ 94,306,596	Based on 85.08% of estimated RY19 claims cost
<b>Acute</b>	\$ 787,690,742	\$ 813,239,248	Base Rate inflated based on CMS market basket; increase of approximately 2.9%
<b>Total</b>	<b>\$ 913,502,029</b>	<b>\$ 960,244,036</b>	Total increase: 5.1%

<b>Total New Money Added to System</b>	<b>\$ 46,742,007</b>
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# Rate Year 2019

## Inpatient Outlier Updates

- Updated to a cost-based value using model claims cost estimates

Criteria	RY18 Outlier Values	RY19 Outlier Values
Critical Access	\$300	\$300
In-State, <100 Beds	\$11,270	\$46,588
In-State, ≥100 Beds & Border Providers	\$22,539	\$46,588
Severity of Illness 1 or 2 Marginal Percentage	80%	80%
Severity of Illness 3 or 4 Marginal Percentage	95%	85%

New trimpoint is statistically developed:

*Calculated as one standard deviation above \$12,151 (mean)*



# Rate Year 2019

## Inpatient Rate Handouts

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- **Handout 1:**  
RY19 Per Diem Rates
- **Handout 2:**  
RY19 Wisconsin IP-CAH Rates by Facility
- **Handouts 3-A and 3-B:**  
RY19 Wisconsin Calculated Base Rate Increases and IP-Acute Care Payment Rates by Facility



# Rate Year 2019

## Outpatient Rate Development

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### □ **Critical Access Hospitals:**

Rates for CAHs Are Provider-Specific Cost-Based EAPG Rates

### □ **Non-CAH Acute Care:**

Prior Year Rates for Non-CAHs Are Inflated Based on the CMS Market Basket



# Rate Year 2019

## OP Budget Pool Development

Provider Type	2018 Rate Pools	2019 Rate Pools	Notes
CAH	\$ 111,238,646	\$ 111,940,511	Based on 100% of estimated RY19 claims cost
Non-CAH	\$ 196,497,908	\$ 201,535,130	Base Rates inflated based on CMS market basket; increase of approximately 2.9%*
<b>Total</b>	<b>\$ 307,736,554</b>	<b>\$ 313,474,640</b>	Total increase: 1.9%

<b>Total New Money Added to System</b>	<b>\$ 5,738,086</b>
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*\*Non-CAH base rates are impacted by GME add-on calculation (using the same methodology as prior years).*



# Rate Year 2019

## Outpatient Rate Handouts

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- **Handout 4:**  
RY19 Wisconsin OP-CAH Rates by Facility
- **Handout 5:**  
RY19 Wisconsin OP-Acute Care Rates by Facility





# Potentially Preventable Readmissions



# Potentially Preventable Readmissions

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- ❑ Q3 2018 working data will be posted to the ForwardHealth portal and Spotfire Data Dashboard by 11/15/2018
- ❑ Currently Reviewing PPR Policy for Next Measurement Year
  - No Change Planned for Benchmarking Methodology
  - No Change Planned for Withhold
- ❑ Updated P4P Guide to be Released This Fall
  - Conference Call to Follow Release

Note: Based on more recent data, the list of low-volume providers who are exempt from P4P will be updated.





# **Additional Payment Updates**

# SFY 2018 Access Payments

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## SFY 2018 Access Payments

- ❑ SFY 2018 Access Payments Continue to Pay But Will Be Shut Off in the Coming Weeks
- ❑ HMOs Will Pay the Full Additional 50% May-June Payment
- ❑ There Will Be an Expenditure Payment



# SFY 2019

## Draft Access Payments

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	Setting	ACH/Rehab	CAH	Total Dollars
SFY18	Inpatient	\$3,952	\$870	\$683,129,164
	Outpatient	\$311	\$28	
SFY19	Inpatient	\$3,346	\$799	\$682,700,812
	Outpatient	\$308	\$27	

- ❑ SFY19 Access Payments are draft and may be subject to revision prior to implementation. Final rates will be distributed by email.
- ❑ Claims already paid for dates of service in SFY 2019 will be adjusted to receive the access payments.



# SFY 2019 DSH Payments

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## DSH Payments

- ❑ DHS is finalizing the SFY 2019 DSH payment amounts.
- ❑ A combined Q1 and Q2 payment will be made in the coming weeks
- ❑ Q3 and Q4 payments will be made at usual quarterly periods, in March and June, respectively



# Additional Updates

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## Myers and Stauffer is Finalizing the DSH Audit

- ❑ 91 of 99 Hospitals Examined Have Been Finalized
- ❑ Of the 91 Hospitals, 17 Exceeded their DSH Limits
- ❑ DHS Will Be Reaching Out to Those Hospitals to Discuss Recoupments

## Michelle Prost is the New Medicaid Hospital Policy and Rate Setting Section Chief

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Wisconsin  
Department of Health Services



# Request for Public Comment

# Questions

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All questions can be sent by email to:

[DHSDMSBFM@dhs.Wisconsin.gov](mailto:DHSDMSBFM@dhs.Wisconsin.gov)

