

DRG Update for July 1, 2014

Mississippi Medicaid Webinar Provider Training

June 4, 2014 10:00 am

June 9, 2014 9:00 am

June 18, 2014 10:00 am

Control No. I-003

Agenda

1. Overview
2. Grouper and relative weights update
3. Payment policy update
4. Simulated impacts
5. Looking forward

Background

- DRG payment is used for all Mississippi Medicaid inpatient acute care stays
 - Both fee-for-service and managed care beneficiaries (inpatient hospital care is carved out of managed care)
 - Includes all general and specialty hospitals, including psychiatric, rehabilitation, Medicare critical access and Medicare long-term acute
- Approximately \$650 million a year for 114,000 stays
- Implemented October 1, 2012, in order to reward efficiency, encourage access, increase transparency and reduce administrative burden
- DRG Year 1 started October 2012
- DRG Year 2 started October 2013
- DRG Year 3 starts July 2014
- Expectation is to update annually
- Rates for Year 3 based on simulation using Year 1 data
- Separate payment is made for medical education, supplementary payments (i.e., DSH), and outpatient care

Now, the Headlines for Year 3

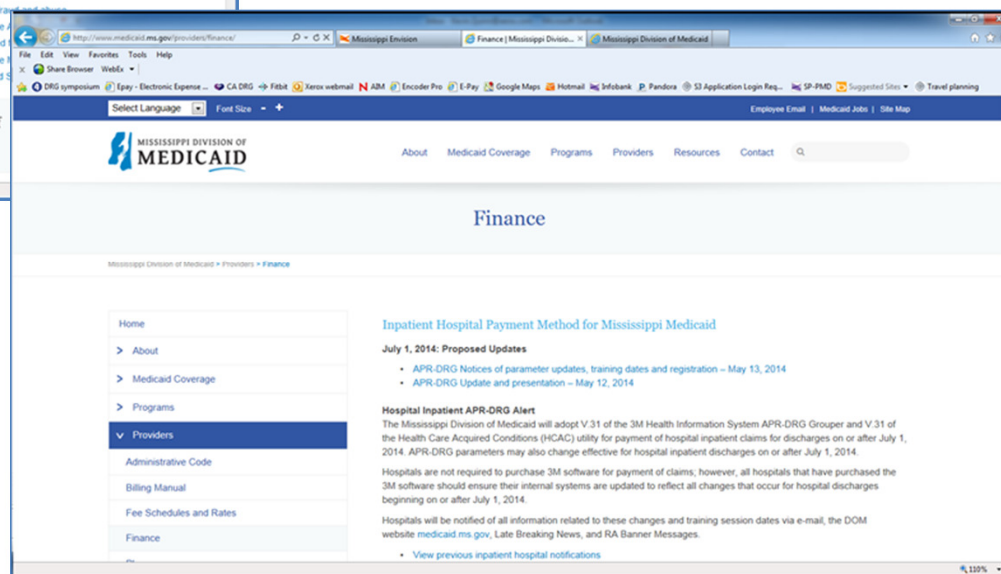
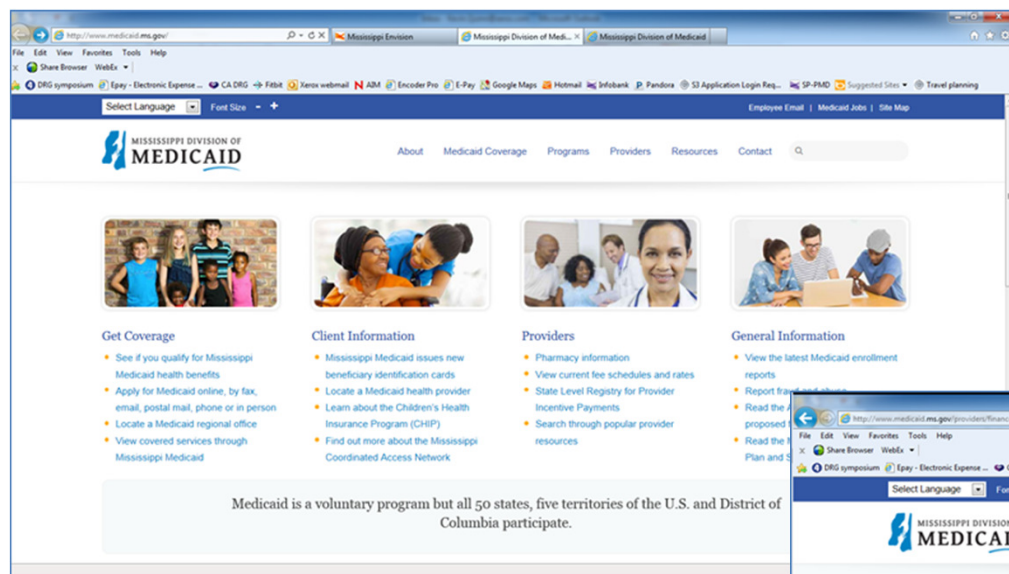
- Essentially, a low-impact DRG update
- On a per-stay basis, budget-neutral relative to DRG Year 1
- Actual Year 3 (FY 2015) payments will depend on the volume and mix of stays
- DRG grouper and relative weight update from V.30 to V.31
 - Change in grouper has minimal impact on DRG assignments
 - DRG relative weights decline overall; offset by base price increase
- Update in outlier calculations: increase in cost outlier threshold, updated CCRs, FY 2015 simulation reflects expected inflation in charges
- Small change in policy adjustors: pediatric mental health rounded from 2.08 to 2.00 and rehab rounded from 2.11 to 2.00
- Documentation and coding adjustment of 2.0% factored in
- Medical education add-on payments increased by 2.0% (market basket)

Key Information Resources



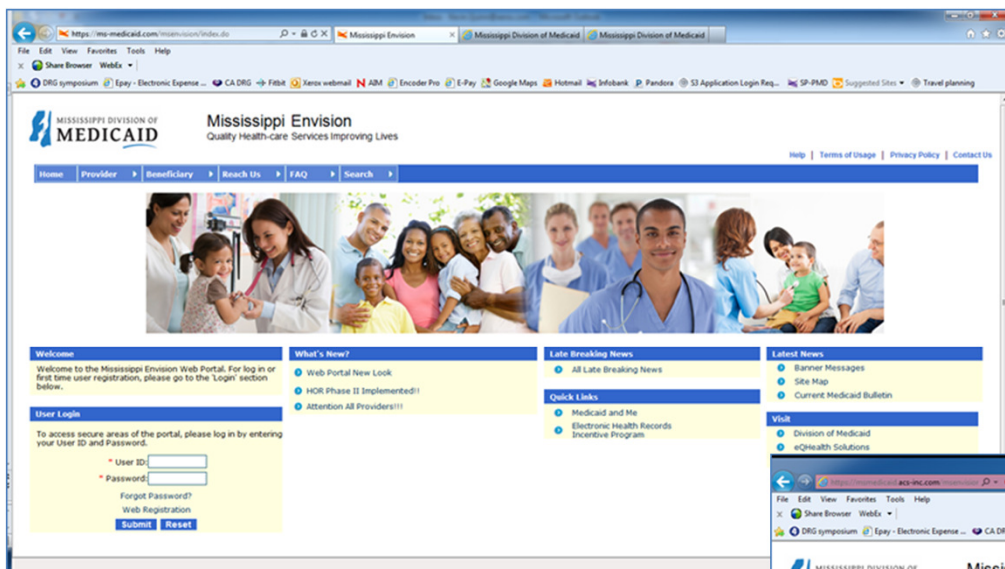
Overview

DOM website: www.medicaid.ms.gov

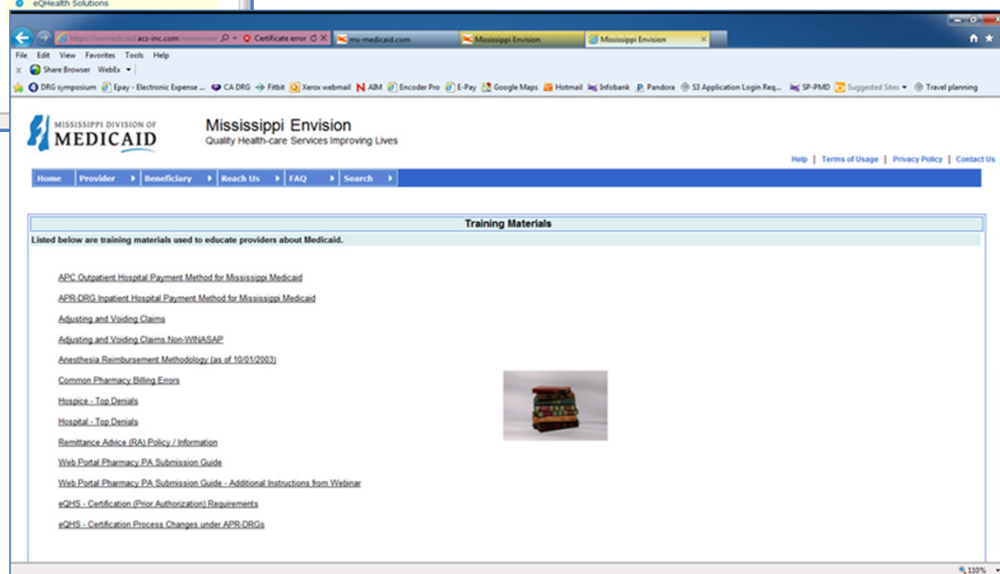


Overview

<https://ms-medicaid.com/msenvision/index.do>



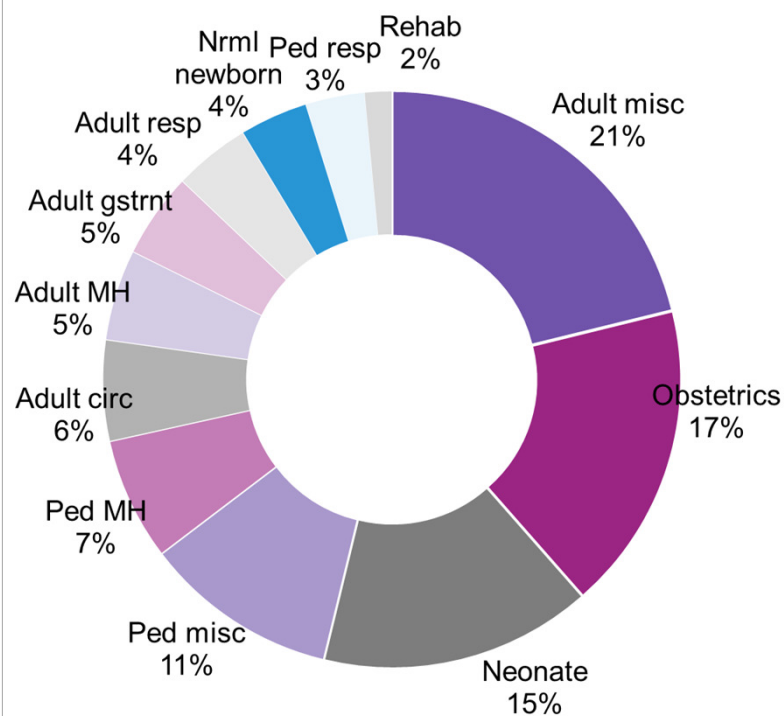
Xerox Provider and Beneficiary Services: 800.884.3222



Overview

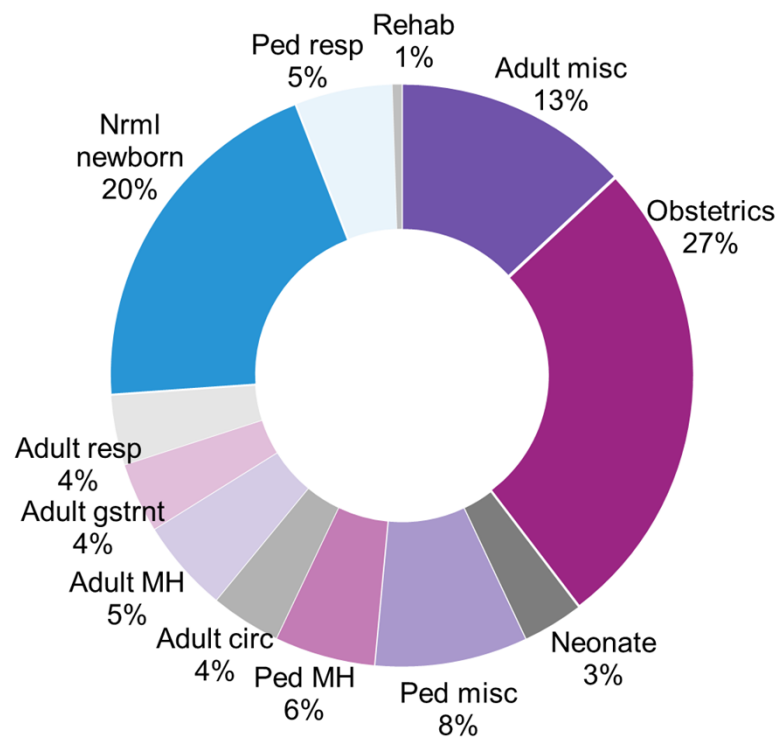
Stays and Payments in DRG Year 1

**Mississippi Medicaid Inpatient Payment
DRG Year 1**



FY 2013 claims paid through 1/20/14 = \$650 million
"Payment" refers to allowed amount

**Mississippi Medicaid Inpatient Stays
DRG Year 1**

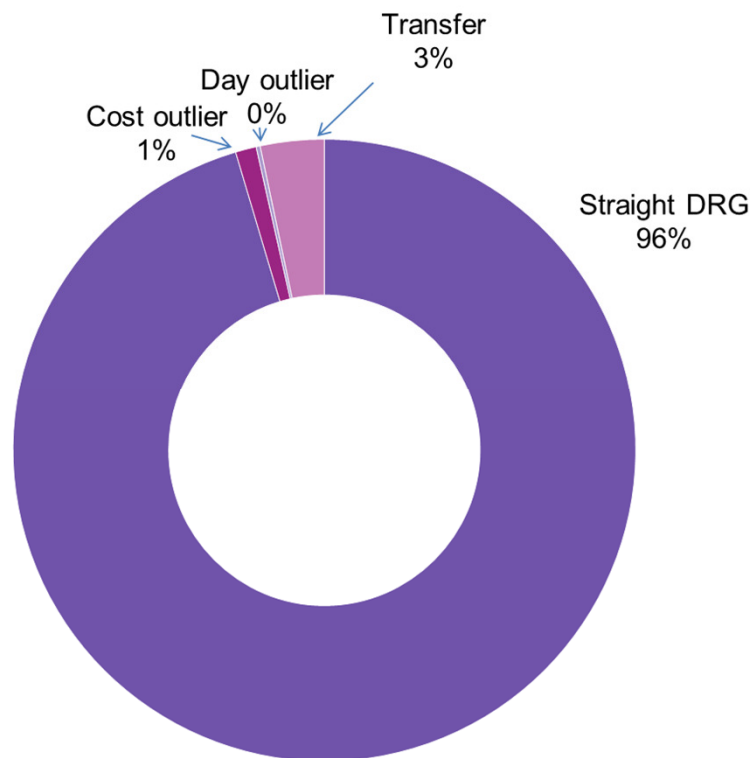


FY 2013 claims paid through 1/20/14 = 113,361 stays

Overview

How Claims Paid in Year 1

How Claims Paid in DRG Year 1



FY 2013 claims paid through 1/20/14 = 113,361 stays

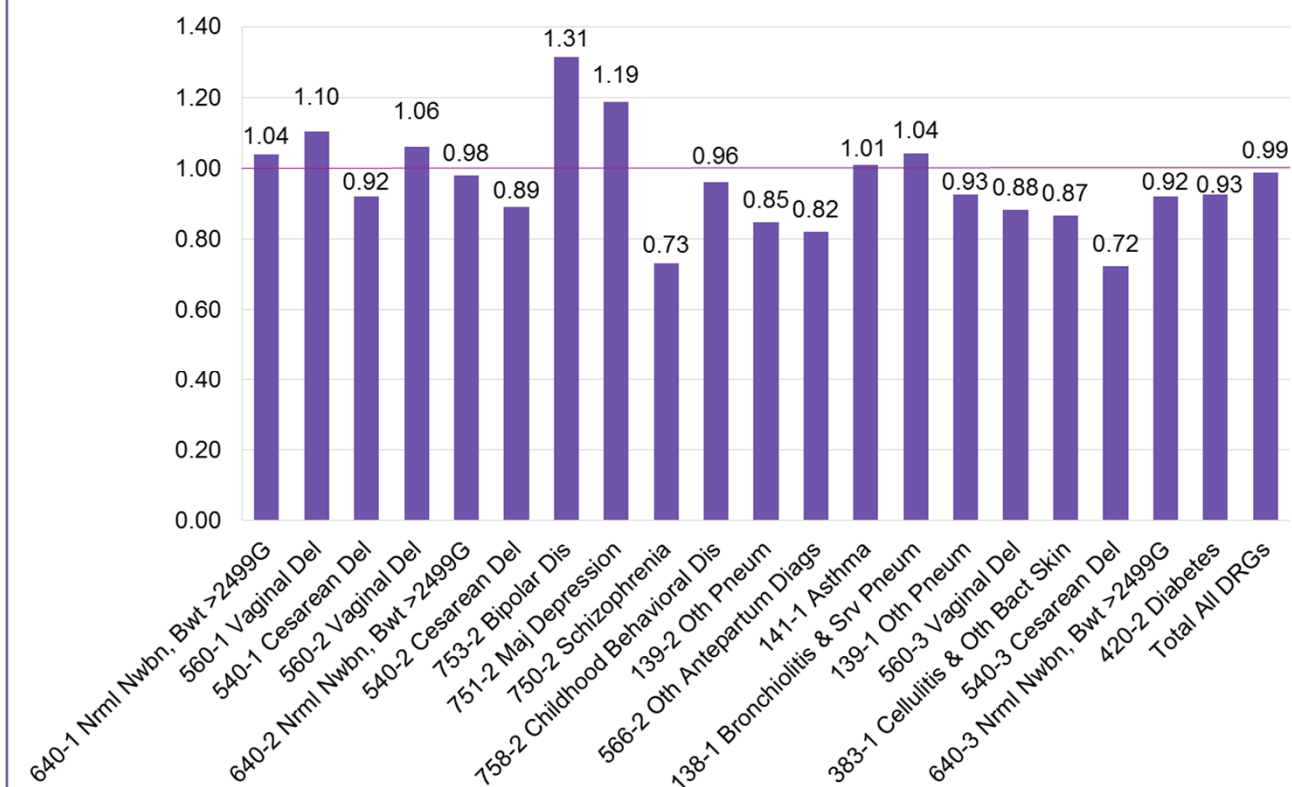
Outlier payments represented 5% of total DRG payments, about the same percentage as Medicare

Overview

Top 20 APR-DRGs: Average Length of Stay

Average Length of Stay

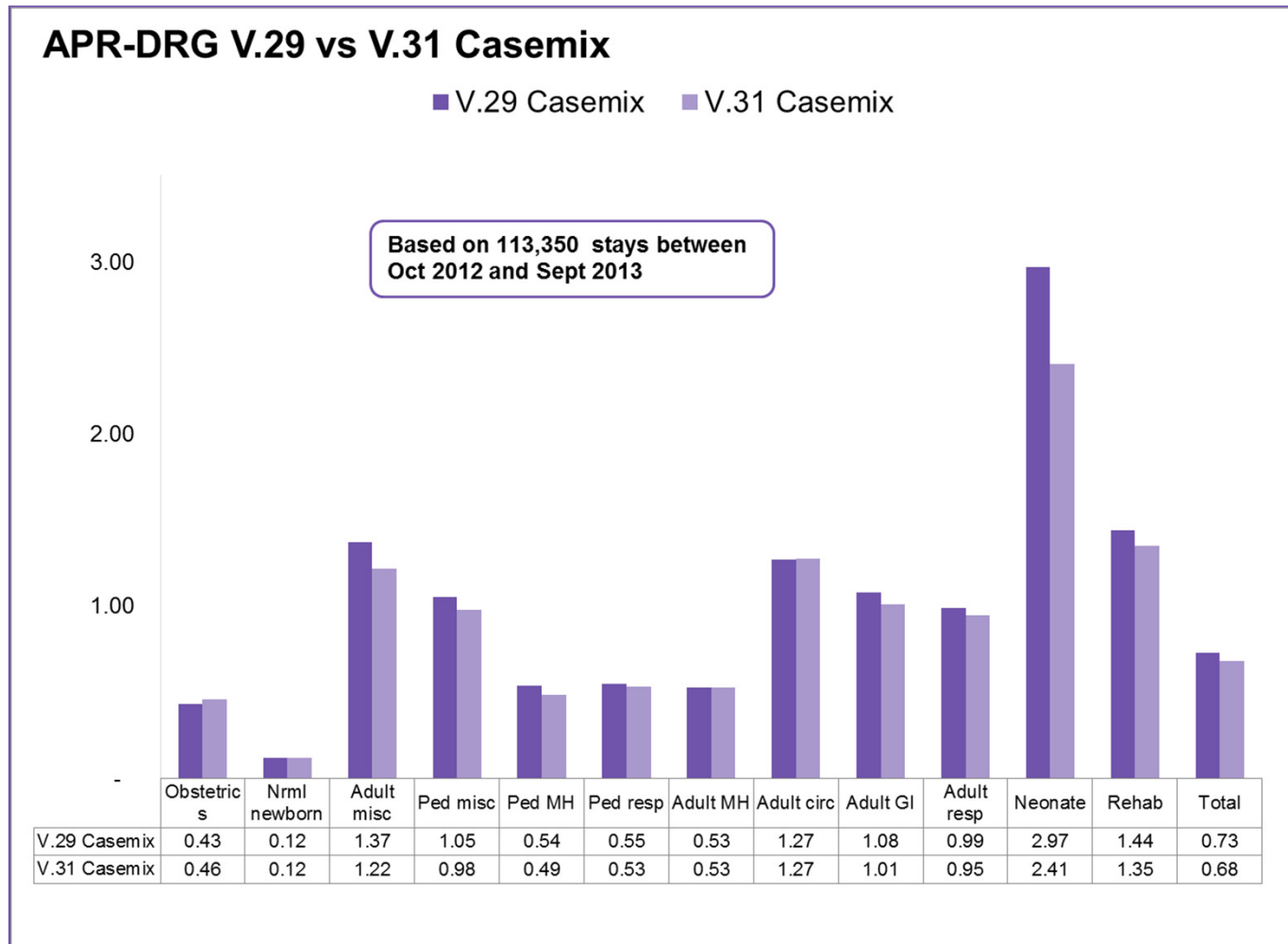
Relative to National Benchmarks



APR-DRG V.30 to V.31

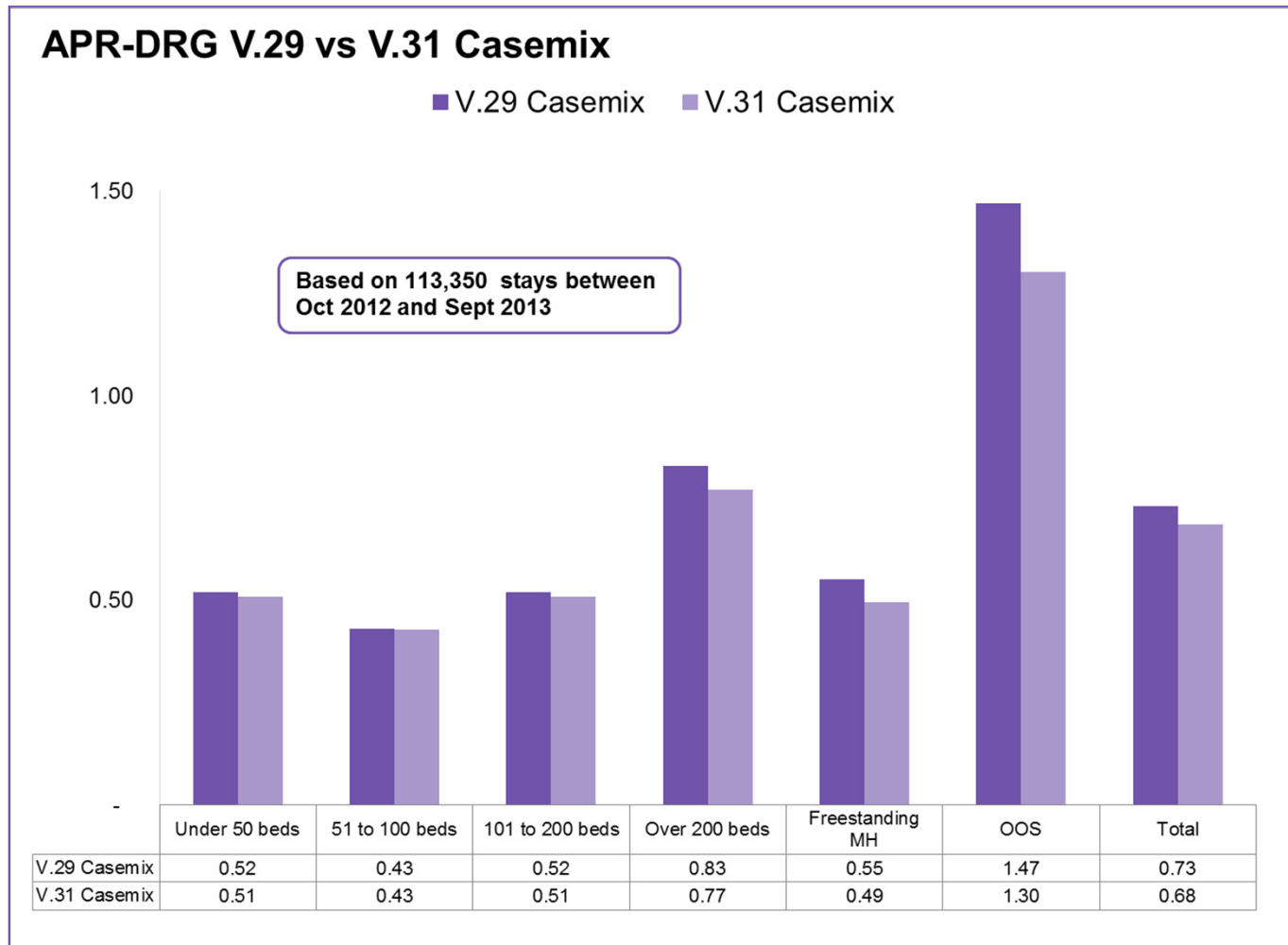
- Version update keeps pace with changes in medicine and practice
- APR-DRG V.29 → V.30
 - Mississippi Medicaid implemented 10/1/13 for DRG Year 2
 - Most significant clinical update in 10 years
 - About 5% of stays changed DRG
- APR-DRG V.30 → V.31
 - Mississippi Medicaid implementing 7/1/14 for DRG Year 3
 - Very little change in clinical grouping logic
 - Relative weights and average length of stay benchmarks updated to reflect latest data from Nationwide Inpatient Sample
- In each version, 314 base DRGs, each with 4 levels of severity
- Impact on Mississippi casemix
 - Following slides compare show impact of grouper and relative weight changes from V.29 to V.31 (i.e., over two years), reflecting differences in both DRG grouper and relative weights

Casemix by Medicaid Care Category



The chart uses Year 1 data to show the impact over two years, from DRG Year 1 to DRG Year 3

Casemix by Hospital Peer Group



The chart uses Year 1 data to show the impact over two years, from DRG Year 1 to DRG Year 3

Impact on Casemix

	V.29 Casemix			V.31 Casemix		
	Stays	Total	Average	Stays	Total	Average
By Care Category						
Adult circ	4,408	5,612	1.27	4,408	5,615	1.27
Adult GI	4,403	4,759	1.08	4,403	4,438	1.01
Adult MH	5,852	3,125	0.53	5,852	3,082	0.53
Adult misc	14,794	20,200	1.37	14,794	18,035	1.22
Adult resp	4,390	4,362	0.99	4,390	4,152	0.95
Neonate	3,792	11,250	2.97	3,747	9,028	2.41
Nrml newborn	22,915	2,839	0.12	22,971	2,797	0.12
Obstetrics	30,137	12,992	0.43	30,137	13,816	0.46
Ped MH	6,334	3,392	0.54	6,334	3,084	0.49
Ped misc	9,635	10,113	1.05	9,626	9,409	0.98
Ped resp	6,115	3,358	0.55	6,117	3,261	0.53
Rehab	575	826	1.44	571	770	1.35
All categories	113,350	82,827	0.73	113,350	77,485	0.68
By Hosp Peer Group						
Under 50 beds	3,408	1,761	0.52	3,408	1,734	0.51
51 to 100 beds	8,428	3,584	0.43	8,428	3,604	0.43
101 to 200 beds	29,050	15,081	0.52	29,050	14,752	0.51
Over 200 beds	63,864	53,182	0.83	63,864	49,206	0.77
Freestanding MH	3,729	2,055	0.55	3,729	1,845	0.49
OOS	4,871	7,165	1.47	4,871	6,345	1.30
All Hospitals	113,350	82,827	0.73	113,350	77,485	0.68

The table uses Year 1 data to show the impact over two years, from DRG Year 1 to DRG Year 3

Basis of DRG Simulation

- Based on 113,350 stays with admission date 10/1/12 through 9/30/13
 - This was DRG Year 1
 - Paid date through 1/20/2014
 - Year 1 data almost complete (run-out period from 10/1/13 to 1/20/14)
 - “Year 2” data (10/1/13 to 6/30/14) not used because of incompleteness
- DRG simulation is not a forecast of FY 2015 total spending
 - Actual spending will depend on trends in eligibility and utilization
 - Our method essentially focuses on average payment per stay

Payment Policy Update

Policy Decisions

Item	DRG Year 1	DRG Year 2	DRG Year 3
Dates	October 2012-September 2013 (12 months)	October 2013-June 2014 (9 months)	July 2014-June 2015 (12 months)
Ratesetting simulation based on dataset	October 2010-March 2011	October 2012-June 2013	October 2012-September 2013
Budget target	Budget neutral (on a volume-adjusted basis) with the simulation period since Oct. 1, 2010 - Mar. 31, 2011, not including medical education.	Budget neutral (on a volume-adjusted basis) with Year 1, not including medical education.	Budget neutral (on a volume-adjusted basis) with Year 1, not including medical education.
Documentation and coding adj. included in DRG base price	3.5%	3.5%	Change: 2.0%
DRG base price	\$6,223	\$6,022	Change: \$6,415
APR-DRG version	V.29	V.30	Change: V.31
APR-DRG relative weights	V.29 charge-based weights	V.30 HSRV weights	Change: V.31 HSRV weights
Average casemix	0.73	0.70	0.68
Policy adjustor—pediatric MH	2.08	2.08	Change: 2.00
Policy adjustor—adult MH	1.75	1.75	No change: 1.75
Policy adjustor—obstetric	1.40	1.40	No change: 1.40
Policy adjustor—normal newborn	1.40	1.40	No change: 1.40
Policy adjustor—neonate	1.40	1.40	No change: 1.40
Policy adjustor—rehab	2.11	2.11	Change: 2.00
Policy adjustor—transplant	1.50	1.50	No change: 1.50
Cost outlier pool	Target 5%	Target 5%	Change: Target 6%

Payment Policy Update

Policy Decisions (continued)

Item	DRG Year 1	DRG Year 2	DRG Year 3
Cost outlier threshold	\$30,000	\$32,800	Change: \$35,175
Marginal cost percentage	60%	60%	No change: 60%
Day outlier threshold	19 days	19 days	No change: after 19 days
Day outlier per diem payment	\$450	\$450	No change: \$450
Interim claim per diem amount	\$450	\$850	No change: \$850
Cost-to-charge ratios	Latest available	Change to latest available	Change: update list to latest available
Charge levels used for simulating FY 2015	Actual	Adjusted for expect charge inflation of 9.4% year to year	Adjust for expected charge inflation of 8.3% a yr (i.e., 17.3% over two years)
Transfer adj discharge values	02, 05, 07, 65, 66	02, 05, 07, 63, 65, 66	Change: add 82, 85, 91, 93, 94
Pediatric age cutoff	Under age 21	Under age 21	No change: under age 21
Pricing logic	No change	No change	No change
Allowed chg source logic	No change	No change	No change
Medicaid Care Category definitions	No change	No change	No change
Medical education add-on payments	From list	Updated list, reflecting market basket increase	Change: updated list, reflecting market basket increase
Per diem treatment authorization threshold	After 19 days	After 19 days	No change: after 19 days
Other aspects of payment method	No change	No change	No change

Payment Policy Updates

- Cost outlier threshold:
 - Important to review annually because of continuing trend where hospitals to increase charges faster than costs
 - 7.2% increase in outlier thresholds reflects recent growth in hospital charges
 - Would be \$35,175 in FY 2015
 - Simulated to result in increase in outlier percentage to 6.3%
 - Outlier percentage should be monitored going forward
- Discharge status values
 - Effective 10/1/13, 16 new valid values
 - 15 values parallel existing values but indicate that an acute care readmission is planned
 - 1 value is “Discharged/transferred to a designated disaster alternative site”
 - Effective 7/1/14, DOM to update discharge values used in transfer pricing to reflect new values that parallel existing transfer values

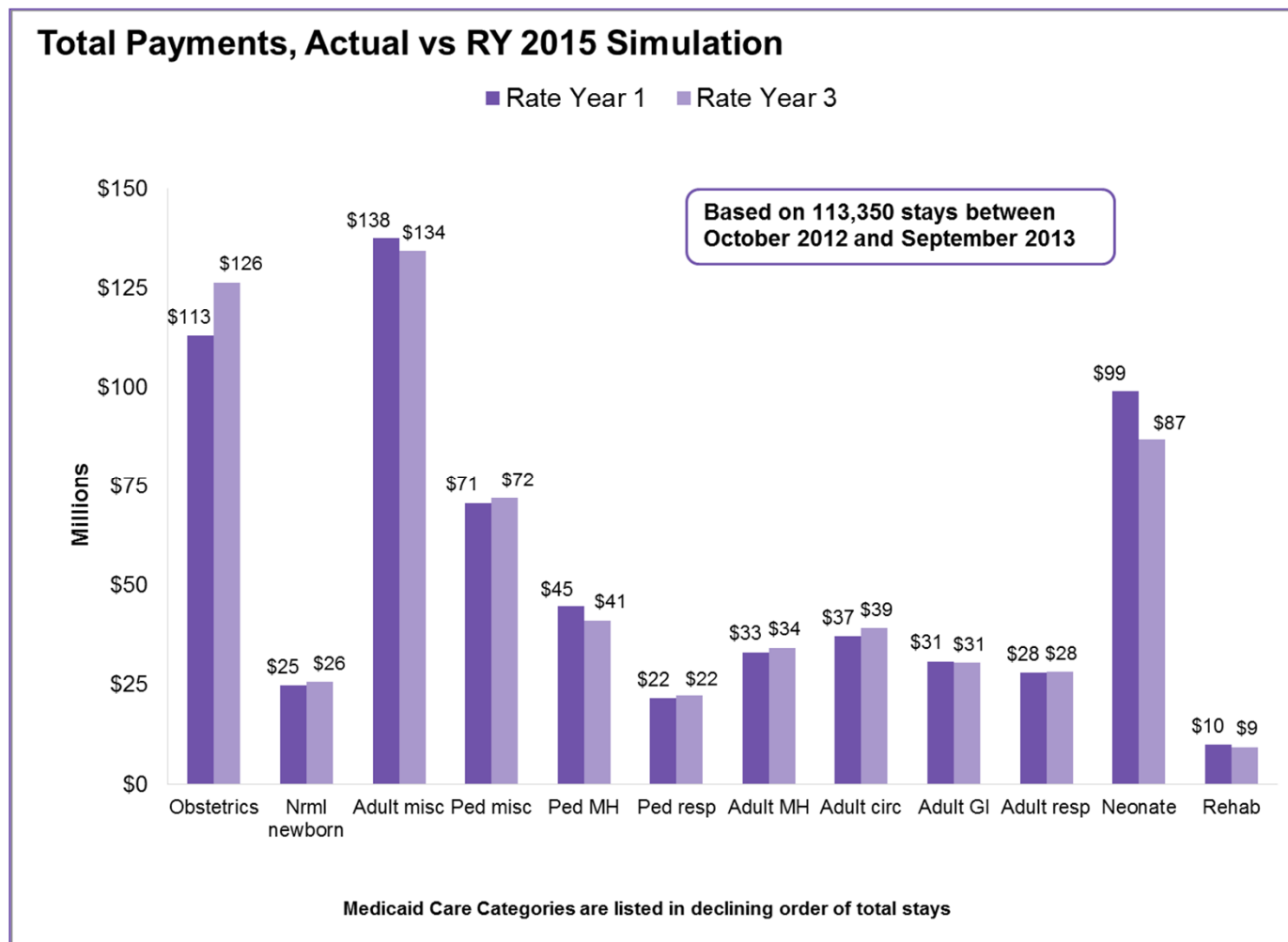
Transfer Discharge Status Codes

Current Discharge Values that Trigger DRG Transfer Pricing	New Discharge Values that Parallel Current DRG Transfer Pricing Values
02: Discharged/transferred to a short-term hospital for inpatient care	82: Discharged/transferred to a short-term general hospital for inpatient care with a planned acute care hospital inpatient readmission
05: Discharged/transferred to a designated cancer center or children's hospital	85: Discharged/transferred to a designated cancer center or children's hospital with a planned acute care hospital inpatient readmission
07: Left against medical advice or discontinued care	[No parallel value]
63: Discharged/transferred to a long-term care hospital	91: Discharged/transferred to a Medicare certified long-term care hospital (LTCH) with a planned acute care hospital inpatient readmission
65: Discharged transferred to a psychiatric hospital or psychiatric distinct part unit of a hospital	93: Discharged/transferred to a psychiatric distinct part unit of a hospital with a planned acute care hospital inpatient readmission
66: Discharged/transferred to a critical access hospital	94: Discharged/transferred to a critical access hospital (CAH) with a planned acute care hospital inpatient readmission

Health Care Acquired Conditions

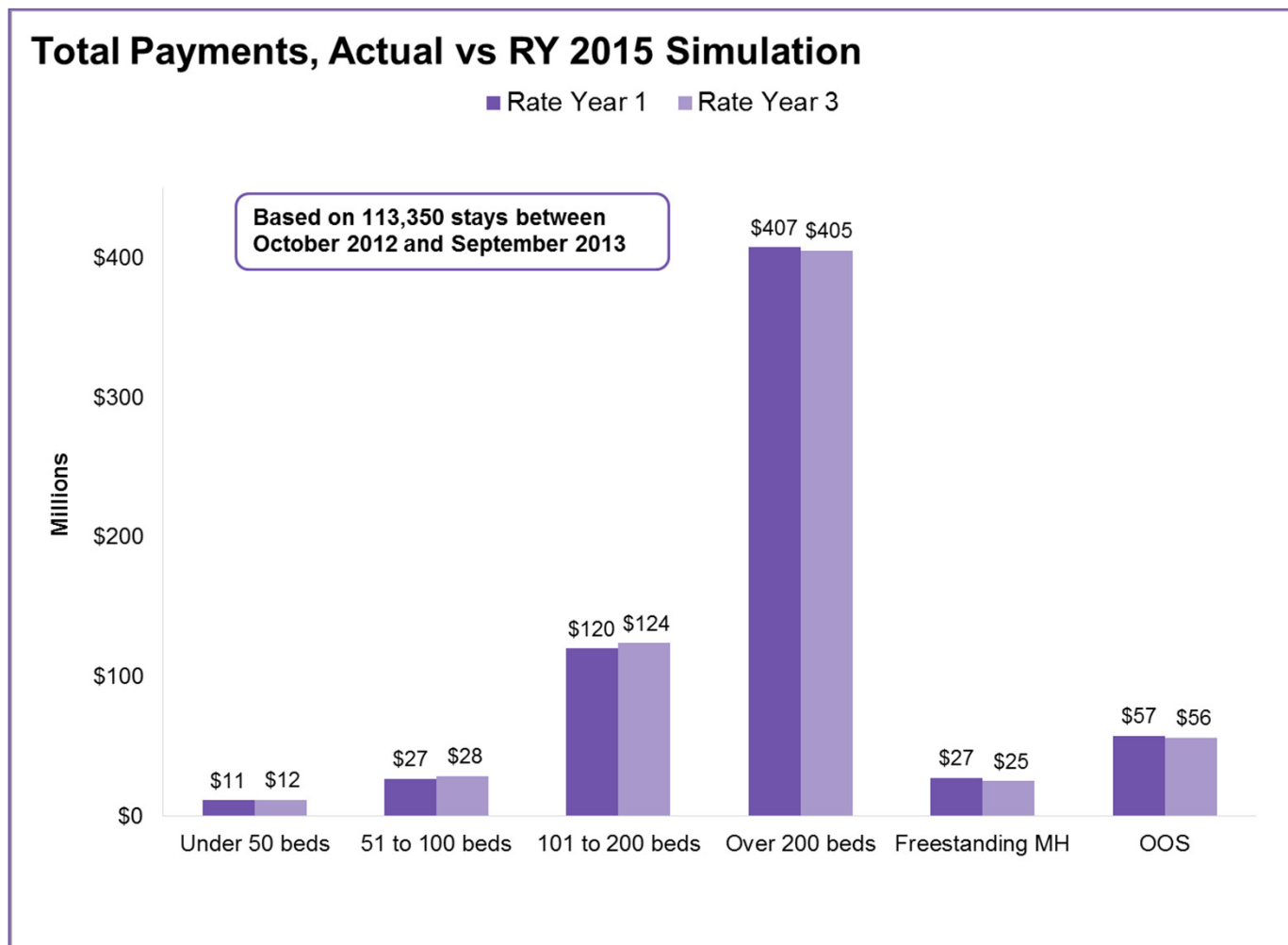
- No changes in policy for July 1, 2014
- National Medicaid HCAC list essentially identical to Medicare HAC list
- Incidence in MS and other states very low
 - In a dataset of 49,653 Year 1 stays, there were 53 HCACs (0.1%)
 - Most common were falls and trauma, catheter-associated infection, stage III and IV pressure ulcers, iatrogenic pneumothorax with venous catheterization
 - Payment reduced only if the HCAC affected DRG assignment. If so, the claim is repriced using the DRG absent the HCAC
- For July 1, Medicaid has implemented HCAC identification and repricing the claims processing system, replacing a manual process

Impacts by Medicaid Care Category



The chart uses Year 1 data to show the impact over two years, from DRG Year 1 to DRG Year 3

Impacts by Hospital Peer Group



The chart uses Year 1 data to show the impact over two years, from DRG Year 1 to DRG Year 3

Impact

Impacts by Medicaid Care Category

	Actual Payment Year 1 (Oct 2012-Sept 2013)				DRG Simulation for Year 3 (July 2014-June 2014)				Actual to Simulation	
	Stays	Covered Days	DRG Outlier Pay	RY 2013 Actual	Stays	Covered Days	DRG Outlier Pay	RY 2015 Simulated	Change	Pct
Obstetrics	30,137	80,458	\$126,867	\$112,960,864	30,137	80,458	\$145,413	\$126,377,786	\$13,416,922	12%
Nrml newborn	22,915	53,838	\$33,617	\$24,762,717	22,971	54,007	\$33,232	\$25,647,995	\$885,278	4%
Adult misc	14,794	83,133	\$12,608,479	\$137,546,631	14,794	83,133	\$16,567,024	\$134,308,668	-\$3,237,964	-2%
Ped misc	9,635	37,675	\$7,620,348	\$70,693,639	9,626	37,660	\$10,075,683	\$71,994,235	\$1,300,596	2%
Ped MH	6,334	66,300	\$1,110,600	\$44,608,360	6,334	66,300	\$1,110,600	\$41,164,662	-\$3,443,698	-8%
Ped resp	6,115	19,380	\$842,045	\$21,518,153	6,117	19,386	\$1,093,764	\$22,221,652	\$703,499	3%
Adult MH	5,852	36,350	\$240,750	\$33,112,278	5,852	36,350	\$240,750	\$34,293,136	\$1,180,858	4%
Adult circ	4,408	18,803	\$2,452,313	\$37,081,427	4,408	18,803	\$2,615,162	\$39,121,785	\$2,040,358	6%
Adult GI	4,403	21,130	\$1,380,359	\$30,834,974	4,403	21,130	\$1,601,501	\$30,522,497	-\$312,477	-1%
Adult resp	4,390	21,985	\$1,274,580	\$27,896,319	4,390	21,985	\$1,503,706	\$28,173,528	\$277,209	1%
Neonate	3,792	59,245	\$3,768,509	\$99,089,544	3,747	59,236	\$6,063,463	\$86,804,068	-\$12,285,475	-12%
Rehab	575	7,940	\$86,454	\$9,814,765	571	7,789	\$127,987	\$9,289,644	-\$525,121	-5%
All categories	113,350	506,237	\$31,544,921	\$649,919,671	113,350	506,237	\$41,178,286	\$649,919,656	-\$15	0%
Outlier percentage				4.9%				6.3%		

The table uses Year 1 data to show the impact over two years, from DRG Year 1 to DRG Year 3

Impact

Impacts by Hospital Peer Group

	Actual Payment Year 1 (Oct 2012-Sept 2013)				DRG Simulation for Year 3 (July 1, 2014)				Actual to Simulation	
	Stays	Covered Days	DRG Outlier Pay	RY 2013 Actual	Stays	Covered Days	DRG Outlier Pay	RY 2015 Simulated	Change	Pct
Under 50 beds	3,408	10,366	\$21,750	\$11,276,668	3,408	10,366	\$26,742	\$11,731,134	\$454,467	4%
51 to 100 beds	8,428	24,156	\$392,188	\$26,600,604	8,428	24,156	\$456,553	\$28,383,555	\$1,782,951	7%
101 to 200 beds	29,050	103,672	\$3,492,199	\$119,789,357	29,050	103,672	\$3,700,422	\$123,675,302	\$3,885,945	3%
Over 200 beds	63,864	287,259	\$19,075,231	\$407,442,349	63,864	287,259	\$26,345,972	\$405,166,681	-\$2,275,668	-1%
Freestanding MH	3,729	44,709	\$965,700	\$27,321,666	3,729	44,709	\$965,700	\$24,931,704	-\$2,389,962	-9%
OOS	4,871	36,075	\$7,597,854	\$57,489,028	4,871	36,075	\$9,682,896	\$56,031,279	-\$1,457,748	-3%
All hospitals	113,350	506,237	\$31,544,921	\$649,919,671	113,350	506,237	\$41,178,286	\$649,919,656	-\$15	0%
Outlier percentage				4.9%				6.3%		

Note:

1. RY 2015 Simulated amount includes 2% documentation and coding adjustment.

The table uses Year 1 data to show the impact over two years, from DRG Year 1 to DRG Year 3

Impact

Impact (2-Year): Hospitals Over 200 Beds

Hospital	Actual Payment Year 1 Oct 2012-Sept 2013				Simulation Year 3 July 2014-June 2015			Change Over Two Year Period		
	Stays	Cov Days	V.29 Casemix	Total DRG Payment	V.31 Casemix	Total DRG Payment	Outlier %	Change	Change %	Change in Payment
University of Miss Med Center	11,818	74,076	1.46	\$132,267,852	1.28	\$ 127,286,557	11.1%	-\$4,981,295.13	-3.8%	x
Forrest General Hospital	6,821	29,571	0.82	\$42,784,202	0.77	\$ 42,704,961	4.2%	-\$79,240.93	-0.2%	x
St Dominic Jackson Memorial Hospital	4,748	21,034	0.69	\$25,610,555	0.66	\$ 26,218,226	4.3%	\$607,671.74	2.4%	x
North Mississippi Medical Center	4,469	22,313	0.85	\$29,206,111	0.79	\$ 28,940,976	5.4%	-\$265,134.97	-0.9%	x
Singing River Health System	3,824	12,774	0.63	\$17,807,501	0.60	\$ 18,055,441	5.9%	\$247,940.19	1.4%	x
Memorial Hospital at Gulfport	3,684	16,816	0.70	\$22,209,773	0.65	\$ 21,846,778	9.0%	-\$362,995.32	-1.6%	x
River Region Health System	3,097	14,627	0.58	\$14,555,089	0.58	\$ 15,289,492	1.1%	\$734,402.74	5.0%	x
Central Mississippi Medical Center	3,004	13,368	0.74	\$17,650,982	0.70	\$ 17,948,875	7.1%	\$297,893.04	1.7%	x
Wesley Medical Center	3,004	10,635	0.57	\$13,282,167	0.56	\$ 14,046,365	6.1%	\$764,197.62	5.8%	x
Delta Regional Medical Center	2,930	10,961	0.64	\$13,736,444	0.60	\$ 13,737,717	0.7%	\$1,272.20	0.0%	x
South Central Reg Med Ctr	2,644	8,683	0.53	\$10,091,081	0.52	\$ 10,577,257	1.7%	\$486,176.02	4.8%	x
Anderson Regional Medical Center	2,525	9,420	0.65	\$12,170,081	0.61	\$ 12,193,195	0.9%	\$23,114.22	0.2%	x
Greenwood Leflore Hospital	2,308	7,544	0.64	\$10,387,855	0.60	\$ 10,289,913	0.4%	-\$97,941.79	-0.9%	x
Mississippi Baptist Medical Center	2,181	11,610	0.95	\$15,545,570	0.89	\$ 14,775,037	3.3%	-\$770,532.77	-5.0%	x
BMH Golden Triangle	2,156	7,537	0.58	\$9,415,956	0.56	\$9,707,576	2.6%	\$291,619.62	3.1%	x
Rush Foundation Hospital	2,050	7,390	0.61	\$9,642,997	0.60	\$ 10,030,246	7.4%	\$387,248.81	4.0%	x
Baptist Memorial Hospital North MS	2,015	6,941	0.62	\$9,159,433	0.59	\$9,445,883	5.5%	\$286,450.07	3.1%	x
Natchez Regional Medical Center	586	1,959	0.46	\$1,918,699	0.47	\$2,072,186	0.2%	\$153,486.57	8.0%	x

The table uses Year 1 data to show the impact over two years, from DRG Year 1 to DRG Year 3

x	Decrease >10%
x	Decrease <10%
x	Increase <10%
x	Increase >10%

Impact

Impact (2-Year): Hospitals 101 to 200 Beds

Hospital	Actual Payment Year 1 Oct 2012-Sept 2013				Simulation Year 3 July 2014-June 2015			Change Over Two Year Period		
	Stays	Cov Days	V.29 Casemix	Total DRG Payment	V.31 Casemix	Total DRG Payment	Outlier %	Change	Change %	Change in Payment
Baptist Memorial Hospital Desoto	4,152	13,688	0.54	\$17,458,608	0.52	\$ 17,927,391	4.6%	\$468,783.15	2.7%	x
Northwest MS Regional Medical Center	2,527	8,563	0.54	\$10,437,671	0.52	\$ 10,721,613	3.5%	\$283,941.90	2.7%	x
Baptist Memorial Hosp Union County	2,346	5,356	0.35	\$6,425,544	0.35	\$6,969,172	0.1%	\$543,628.22	8.5%	x
Magnolia Regional Health Center	2,283	7,444	0.52	\$8,648,752	0.52	\$9,136,557	0.9%	\$487,805.72	5.6%	x
Biloxi Regional Medical Center	2,224	8,094	0.52	\$9,434,649	0.51	\$9,606,303	3.5%	\$171,654.01	1.8%	x
River Oaks Hospital	2,196	8,129	0.58	\$11,162,197	0.54	\$ 10,867,149	6.5%	-\$295,048.42	-2.6%	x
SW MS Regional Medical Center	2,071	6,039	0.58	\$8,321,543	0.59	\$8,884,981	1.1%	\$563,438.72	6.8%	x
Kings Daughters Medical Center	1,579	4,034	0.47	\$5,519,985	0.47	\$5,819,610	1.5%	\$299,625.13	5.4%	x
Bolivar Medical Center	1,566	4,947	0.50	\$5,371,311	0.48	\$5,563,234	0.7%	\$191,923.06	3.6%	x
Tri Lakes Medical Center	1,354	5,654	0.50	\$6,102,339	0.50	\$6,537,892	0.0%	\$435,553.16	7.1%	x
Alliance Health Center	1,268	13,302	0.53	\$7,911,695	0.51	\$7,873,364	0.9%	-\$38,330.38	-0.5%	x
Natchez Community Hospital	1,154	3,833	0.47	\$3,938,925	0.47	\$4,105,470	0.3%	\$166,544.75	4.2%	x
Grenada Lake Medical Center	1,127	3,198	0.46	\$3,671,288	0.45	\$3,881,472	0.4%	\$210,184.38	5.7%	x
Garden Park Medical Center	924	2,745	0.54	\$3,775,471	0.53	\$4,039,569	10.3%	\$264,098.07	7.0%	x
Womans Hospital	887	2,696	0.40	\$3,066,298	0.40	\$3,253,579	0.0%	\$187,280.92	6.1%	x
Hancock Medical Center	589	1,672	0.51	\$2,234,959	0.50	\$2,355,539	4.9%	\$120,580.42	5.4%	x
Rankin Medical Center	549	2,038	0.92	\$3,488,393	0.83	\$3,376,723	13.5%	-\$111,670.35	-3.2%	x
Bapt Mem Hosp Booneville	134	504	0.68	\$566,798	0.68	\$ 591,989	0.0%	\$25,190.86	4.4%	x
MS Methodist Rehab Center	97	1,502	1.51	\$1,949,992	1.44	\$1,865,935	3.9%	-\$84,057.22	-4.3%	x
Anderson Regional Medical Center So	23	234	1.11	\$302,940	1.08	\$ 297,759	0.0%	-\$5,181.10	-1.7%	x

The table uses Year 1 data to show the impact over two years, from DRG Year 1 to DRG Year 3

x	Decrease >10%
x	Decrease <10%
x	Increase <10%
x	Increase >10%

Impact

Impact (2-Year): Hospitals 51-100 Beds

Hospital	Actual Payment Year 1 Oct 2012-Sept 2013				Simulation Year 3 July 2014-June 2015			Change Over Two Year Period			
	Stays	Cov Days	V.29 Casemix	Total DRG Payment	V.31 Casemix	Total DRG Payment	Outlier %	Change	Change %	Change in Payment	
Och Regional Medical Center	1,530	4,158	0.37	\$4,453,655	0.38	\$4,894,381	2.4%	\$440,725.97	9.9%		x
Madison River Oaks Medical Center	1,203	3,276	0.42	\$3,849,812	0.41	\$3,985,484	0.0%	\$135,671.30	3.5%		x
Gilmore Mem Regional Medical Center	1,203	3,738	0.44	\$4,269,838	0.44	\$4,558,194	5.2%	\$288,356.04	6.8%		x
Highland Community Hospital	958	2,406	0.46	\$3,204,362	0.46	\$3,460,650	1.3%	\$256,288.77	8.0%		x
Clay County Medical Center	831	2,553	0.39	\$2,488,320	0.39	\$2,623,613	1.7%	\$135,293.08	5.4%		x
Magee General Hospital	743	2,138	0.33	\$1,895,493	0.34	\$2,085,191	0.0%	\$189,698.03	10.0%		x
Wayne General Hospital	659	2,293	0.49	\$2,236,084	0.48	\$2,326,747	0.2%	\$90,663.34	4.1%		x
George County Hospital	519	1,417	0.45	\$1,632,838	0.45	\$1,753,098	0.4%	\$120,259.88	7.4%		x
Neshoba County General Hospital Nur	319	792	0.47	\$915,628	0.47	\$970,518	0.0%	\$54,889.57	6.0%		x
North Oak Regional Medical Center	175	547	0.60	\$651,997	0.61	\$691,205	0.0%	\$39,207.06	6.0%		x
Ochsner Foundation Hospital	148	1,292	2.49	\$2,847,959	2.16	\$2,733,097	17.6%	-\$114,862.43	-4.0%	x	
Montfort Jones Memorial Hospital	123	330	0.56	\$422,105	0.56	\$445,333	0.0%	\$23,228.08	5.5%		x
Covington County Hospital	51	164	0.52	\$162,476	0.50	\$166,160	0.0%	\$3,684.64	2.3%		x
Winston Medical Center	43	132	0.64	\$167,426	0.60	\$166,333	0.0%	-\$1,093.06	-0.7%	x	
Tippah County Hospital	39	113	0.62	\$149,523	0.60	\$150,105	0.0%	\$582.12	0.4%		x
Trace Regional Hospital	32	99	0.55	\$101,047	0.55	\$106,543	0.0%	\$5,496.56	5.4%		x

The table uses Year 1 data to show the impact over two years, from DRG Year 1 to DRG Year 3

x	Decrease >10%
x	Decrease <10%
x	Increase <10%
x	Increase >10%

Impact

Impact (2-Year): Hospitals 50 Beds & Under

Hospital	Actual Payment Year 1 Oct 2012-Sept 2013				Simulation Year 3 July 2014-June 2015			Change Over Two Year Period		
	Stays	Cov Days	V.29 Casemix	Total DRG Payment	V.31 Casemix	Total DRG Payment	Outlier %	Change	Change %	Change in Payment
South Sunflower County Hospital	716	1,724	0.40	\$2,094,171	0.41	\$2,261,554	0.0%	\$167,382.82	8.0%	x
S E Lackey Memorial Hospital	262	743	0.46	\$747,489	0.44	\$ 760,343	0.0%	\$12,853.39	1.7%	x
Pioneer Health Services of Newton C	213	491	0.41	\$535,304	0.41	\$ 566,429	0.0%	\$31,124.54	5.8%	x
Claiborne County Hospital	199	707	0.52	\$663,226	0.53	\$ 709,803	0.0%	\$46,577.03	7.0%	x
Kings Daughters Hospital	130	474	0.57	\$462,720	0.57	\$ 486,665	0.0%	\$23,944.57	5.2%	x
Scott Regional Medical Center	121	338	0.48	\$369,892	0.48	\$ 387,295	0.0%	\$17,403.42	4.7%	x
Webster General Hospital	120	495	0.57	\$419,677	0.56	\$ 433,129	0.0%	\$13,451.92	3.2%	x
Noxubee General Critical Access Hos	115	430	0.59	\$413,634	0.57	\$ 417,133	0.0%	\$3,498.58	0.8%	x
Simpson General Hospital	96	320	0.45	\$321,830	0.46	\$ 344,130	0.0%	\$22,299.99	6.9%	x
Marion General Hospital	91	361	0.78	\$418,817	0.72	\$ 421,916	3.8%	\$3,099.46	0.7%	x
Quitman County Hospital LLC	90	261	0.51	\$281,743	0.50	\$ 293,662	0.0%	\$11,918.89	4.2%	x
Baptist Medical Center Leake	89	260	0.53	\$286,431	0.53	\$ 300,320	0.0%	\$13,888.80	4.8%	x
Hardy Wilson Memorial Hospital	80	254	0.62	\$315,387	0.59	\$ 317,910	0.0%	\$2,523.41	0.8%	x
Patients Choice Medical Center Of H	77	255	0.50	\$253,841	0.50	\$ 265,388	0.0%	\$11,547.02	4.5%	x
Tyler Holmes Memorial Hospital	75	246	0.49	\$230,647	0.49	\$ 241,085	0.0%	\$10,437.56	4.5%	x
Jefferson County Hosp	72	181	0.51	\$228,774	0.51	\$ 242,599	0.0%	\$13,824.29	6.0%	x
Holmes County Hospital and Clinics	66	140	0.60	\$243,495	0.57	\$ 245,410	0.0%	\$1,915.00	0.8%	x
Stone County Hospital Inc	66	171	0.53	\$210,337	0.54	\$ 224,554	0.0%	\$14,216.86	6.8%	x
Field Memorial Community Hospital	65	197	0.81	\$307,555	0.76	\$ 308,013	0.0%	\$457.66	0.1%	x

The table uses Year 1 data to show the impact over two years, from DRG Year 1 to DRG Year 3

x	Decrease >10%
x	Decrease <10%
x	Increase <10%
x	Increase >10%

Impact

Impact (2-Year): Hospitals 50 Beds & Under

Hospital	Actual Payment Year 1 Oct 2012-Sept 2013				Simulation Year 3 July 2014-June 2015			Change Over Two Year Period		
	Stays	Cov Days	V.29 Casemix	Total DRG Payment	V.31 Casemix	Total DRG Payment	Outlier %	Change	Change %	Change in Payment
Beacham Memorial Hospital	61	394	0.77	\$287,386	0.70	\$ 275,162	0.0%	-\$12,224.43	-4.3%	x
Walthall Co General Hospital	59	170	0.53	\$193,355	0.52	\$ 202,084	0.0%	\$8,729.44	4.5%	x
Sharkeyissaquena Community Hosp	57	133	0.54	\$190,700	0.50	\$ 188,290	0.0%	-\$2,410.46	-1.3%	x
North Sunflower Medical Center	54	187	0.71	\$230,703	0.69	\$ 235,888	0.0%	\$5,184.70	2.2%	x
Tishomingo Health Services Inc	53	116	0.64	\$201,913	0.62	\$ 209,490	0.0%	\$7,577.72	3.8%	x
Yalobusha Gen Hosp Nursing Home	38	120	0.61	\$141,902	0.60	\$ 145,596	0.0%	\$3,694.05	2.6%	x
Laird Hospital Inc	35	110	0.45	\$112,667	0.44	\$ 116,647	0.0%	\$3,980.18	3.5%	x
Kilmichael Hospital	28	92	0.50	\$87,779	0.49	\$ 89,988	0.0%	\$2,209.86	2.5%	x
Jefferson Davis General Hospital	27	95	0.62	\$100,073	0.60	\$ 102,585	0.0%	\$2,512.40	2.5%	x
Tallahatchie General Hospital	26	90	0.64	\$112,636	0.60	\$ 111,828	9.6%	-\$808.07	-0.7%	x
Lawrence County Hospital	26	71	0.53	\$82,240	0.54	\$ 86,815	0.0%	\$4,574.98	5.6%	x
Perry County General Hospital	25	73	0.57	\$89,378	0.54	\$ 90,748	0.0%	\$1,369.62	1.5%	x
H C Watkins Memorial Hospital	25	69	0.54	\$83,687	0.53	\$ 85,600	0.0%	\$1,912.66	2.3%	x
Calhoun Health Services	22	63	0.51	\$69,261	0.52	\$ 74,379	0.0%	\$5,118.02	7.4%	x
Franklin County Memorial Hospital	12	94	0.72	\$53,451	0.71	\$ 55,474	0.0%	\$2,022.88	3.8%	x
John C Stennis Memorial Hospital	11	34	0.58	\$36,031	0.52	\$ 33,535	0.0%	-\$2,496.44	-6.9%	x
Pioneer Community Hospital of Choct	11	44	0.62	\$42,528	0.58	\$ 41,876	0.0%	-\$651.53	-1.5%	x
Whitfield Med Surgical Hosp	10	67	1.06	\$65,194	0.95	\$ 61,348	0.0%	-\$3,845.44	-5.9%	x
Pontotoc Health Services Inc	9	18	0.53	\$29,404	0.49	\$ 28,609	0.0%	-\$794.44	-2.7%	x
Pioneer Comm Hospital of Aberdeen	7	20	0.50	\$21,598	0.50	\$ 22,851	0.0%	\$1,252.81	5.8%	x
Pearl River County Hospital	4	7	0.50	\$12,515	0.41	\$ 10,629	0.0%	-\$1,885.98	-15.1%	x
Greene County Hospital	2	11	0.66	\$8,212	0.71	\$ 9,343	0.0%	\$1,131.52	13.8%	x

The table uses Year 1 data to show the impact over two years, from DRG Year 1 to DRG Year 3

x	Decrease >10%
x	Decrease <10%
x	Increase <10%
x	Increase >10%



Impact

Impact (2-Year): Freestanding MH, Out of State

Hospital	Actual Payment Year 1 Oct 2012-Sept 2013				Simulation Year 3 July 2014-June 2015			Change Over Two Year Period		
	Stays	Cov Days	V.29 Casemix	Total DRG Payment	V.31 Casemix	Total DRG Payment	Outlier %	Change	Change %	Change in Payment
Brentwood Behavioral Healthcare of	1,661	18,117	0.56	\$11,938,587	0.49	\$ 10,590,023	0.5%	-\$1,348,564.07	-11.3%	x
Parkwood Behavioral Hlth System	777	9,020	0.55	\$5,546,706	0.53	\$5,340,158	1.1%	-\$206,547.80	-3.7%	x
Diamond Grove Center	599	6,920	0.57	\$4,374,800	0.51	\$3,953,110	0.0%	-\$421,690.00	-9.6%	x
Crossroads Regional Hospital	207	2,135	0.50	\$1,357,188	0.39	\$1,054,166	0.6%	-\$303,021.52	-22.3%	x
Lakeside Behavioral Hlth Sys	204	2,709	0.54	\$1,466,315	0.52	\$1,435,258	4.4%	-\$31,056.28	-2.1%	x
Oak Circle Center	169	4,807	0.53	\$1,927,530	0.50	\$1,891,494	41.7%	-\$36,036.20	-1.9%	x
Liberty Healthcare Systems LLC	112	1,001	0.49	\$710,540	0.46	\$ 667,495	0.0%	-\$43,045.73	-6.1%	x

Hospital	Actual Payment Year 1 Oct 2012-Sept 2013				Simulation Year 3 July 2014-June 2015			Change Over Two Year Period		
	Stays	Cov Days	V.29 Casemix	Total DRG Payment	V.31 Casemix	Total DRG Payment	Outlier %	Change	Change %	Change in Payment
Methodist Hospitals of Memphis	1,874	10,789	1.30	\$18,233,065	1.19	\$ 18,161,792	13.5%	-\$71,272.81	-0.4%	x
USA Childrens Womens Hospital	736	6,663	1.45	\$8,063,227	1.23	\$7,150,280	1.3%	-\$912,947.36	-11.3%	x
Baptist Memorial Hospital	399	3,351	1.84	\$5,239,565	1.61	\$4,838,980	2.8%	-\$400,585.60	-7.6%	x
Regional Med Ctr Memphis	314	3,485	2.20	\$6,037,508	1.89	\$5,927,981	24.1%	-\$109,526.77	-1.8%	x
Saint Francis Hospital	279	2,762	0.84	\$2,373,989	0.80	\$2,337,325	11.0%	-\$36,663.89	-1.5%	x
St Jude Childrens Research Hospital	163	898	1.41	\$1,999,949	1.14	\$1,866,314	31.0%	-\$133,635.81	-6.7%	x
Delta Medical Center	134	1,425	0.48	\$701,582	0.47	\$ 709,567	4.9%	\$7,984.94	1.1%	x
Slidell Memorial Hospital	128	469	0.77	\$672,879	0.70	\$ 662,941	1.9%	-\$9,938.75	-1.5%	x
Childrens Hospital	107	593	1.32	\$1,109,018	1.20	\$1,133,767	19.7%	\$24,748.12	2.2%	x
USA Medical Center	97	837	2.34	\$1,633,108	2.05	\$1,560,558	16.4%	-\$72,550.12	-4.4%	x

The table uses Year 1 data to show the impact over two years, from DRG Year 1 to DRG Year 3

x	Decrease >10%
x	Decrease <10%
x	Increase <10%
x	Increase >10%

Looking Ahead to DRG Year 4 (FY 2016)

- No APR-DRG grouping changes expected V.31 to V.32
- APR-DRG relative weights likely to change to reflect latest national data
- Annual review of DRG base prices, policy adjustors, and other aspects of the payment method
- National implementation of ICD-10 now expected October 1, 2015
 - APR-DRG grouping algorithms expected to be equivalent under ICD-9-CM or ICD-10-CM/PCS

For Further Information

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For more information on Medicaid payment methods, please go to www.xerox.com/Medicaid

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