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}



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Agenda

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



Overview 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



Overview 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)



Overview **Key Information Resources**

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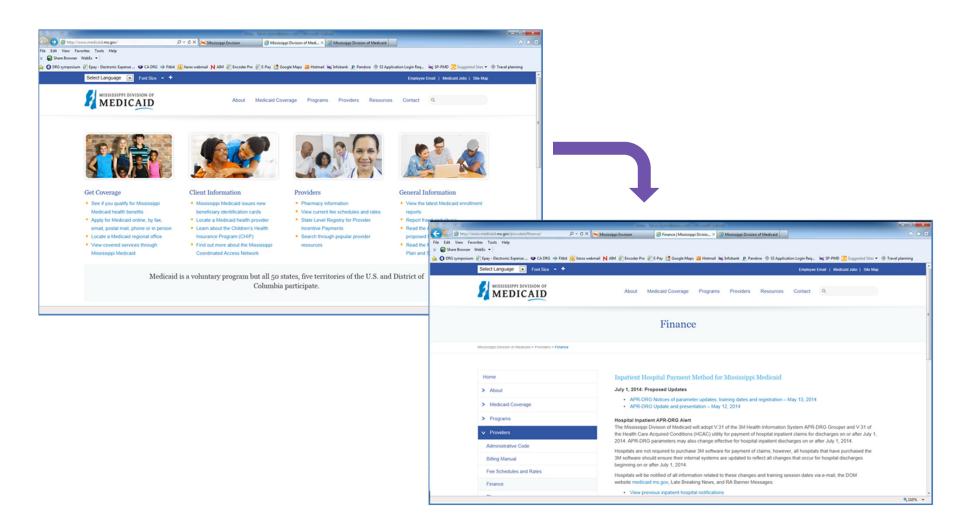
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| Mississippi Division of Medicaid DI | PC Driging Colou | lator | - The Medical and the Medical |
| Effective with Discharge Dates July 1, 2014 | NG Fricing Calcu | lator | - Deguently asked |
| Instructions: | | | EV as pricing calculations |
| 1. The hospital or other user inputs data in cells C16-C18, C20-C24, C | 240, C84-C85 | | - Pr 2015 table of a spread |
| Mississippi Medicaid payment policy parameters have already been The calculator will show the predicted allowed amount and paid amo | rentered in cells C26-C38 ounts in cells C83 and C86 renow | tiophy | Billing Quick Tips for FY 2015 ormation about the webpage at www.medicaid.ms.gov/ntov/des/15 ormation.about the Medicaid impatient hospital payment method effective July 1, 2014, such as: - Frequently asked questions - Provider training presentation - Provider training presentation - Provider and Beneficiary erox Provider and Beneficiary Services assistance call 1,800 c ms.must be billed on their own close |
| A B | C | D Ε | "Invident training presentation error Provider training presentation error Provider and Beneficiary Services assistance call 1.800.884.3222. whoms must be billed on their own claim, not on their mothers are |
| | | | |
| 15 INPUT INFORMATION 16 Covered charges | \$13.500.00 | These values are unique for each claim and are input by the hospital UB-04 Field Locator 47 minus FL 48 | must be billed |
| | \$13,500.00 Magnolia Regional Health | | ms must contain on their own also assistance call 1 one |
| 17 Select hospital name or state | Center | Used to estimate the hospital's cost of this stay | |
| 18 Is last date of service equal or greater than 10/1/2014? 19 Hospital-specific cost-to-charge ratio | No 29.77% | Determines which CCR to use; updated values effective 10/1/2014 Look up from CCR table. | atient at within the code; otherwise the mother's at the |
| 20 Length of stay | 14 | Used for transfer pricing adjustment | stay will stay will share (3) at the claim |
| 21 Length of stay 22 Medicaid Covered Days 23 Patient discharge status = 02,05,07,63,65,66,82,85,91,93,94 | 14 | Used for prorated pricing adjustment | Suspender |
| 22 Patient discharge status = 02,05,07,63,65,66,82,85,91,93,94 23 Patient age (in years) | No 29 | Used for transfer pricing adjustment The age of the beneficiary | |
| 29 Patient age (in years) 24 Is discharge status equal to 30 (still a patient)? 25 PAYMENT POLICY PARAMETERS SET BY MEDICAID | No | Indicates an interim claim | care plans for outpatient claim, plus to the inpatient payment are considered |
| | \$6.415 | These values are set fixed and should not be changed. | aims (bill three burgetient services the case take case to be part of |
| 28 DRC base price 27 Interim claim per diem amount 28 Interim claim day threshold 29 Cost outlier threshold 30 Marginal cost percentage | \$6,415 \$850 | Used to calculate the DRG base payment. Used to calculate payment for interim stays, type of bill 2 and 3 only. | pitals should all and take that are define not to bill the approach nospitals may |
| 28 Interim claim day threshold | 30 | The length of stay for the interim claim must be greater than this value. | hen a patient ensure property are not required to be within the medicaid or the Market use of |
| 29 Cost outlier threshold | \$35,175 | Cost on a given stay must exceed this amount to be considered for an outlier | |
| 30 Marginal cost percentage 31 Mental health long stay threshold in days | 0.60 | Used in the cost outlier calculation. Used to determine eligibility for a day outlier payment for mental health stays. | income a single claim of the interim claim of a submitted it the |
| | \$450 | Used in the mental health outlier calculation. | The plans for outpatient caim line to the inpatient patient and considered to be part of imins (bit) possible to consider the plane start with the approximation of the plane start of |
| 33 Obstetric/Newborn policy adjustor | 1.40 1.40 | Applies if the Medicaid Care Category is Obstetric or Normal Newborn | dericy codes 1 (2 codes 4 (last interstay. |
| 34 Neonate policy adjustor 35 Rebab policy adjustor | 2.00 | Applies if the Medicaid Care Category is Neonate Applies to DRGs 860-1 to 860-4 only | ledicaid part (aumit thru discharge claim) and the augusted and the |
| 36 Pediatric mental health policy adjustor | 2.00 | Applies to mental health DRGs as shown in the attached DRG table | eets existing longer has any and 6 (adius of late characteristics) |
| 22 Mertal heath collier per dem 33 Octation("Heath per policy adjuster 34 Statistical"Heath policy adjuster 34 Statistical heath policy adjuster 37 Adut mertal heath policy adjuster 37 Adut mertal heath policy adjuster 39 WMAT ARRORG CODE DOES MEDICAD ASSIGN? 40 ARR-DRG venos 11) | 1.75 | Applies to mental health DRGs as shown in the attached DRG table Applies to transplant DRGs as shown in the attached DRG table | The submit a single adjusted, the influe correct discharge submitted if the stay exceeds 30 ms with frequency codes 4 (last interim calium should be volded or adjusted and the ins with frequency codes 4 (last interim calium) and 5 (late charges) will be denied. Use ledicaid no longer has annual serve and a (divistment) as appropriate edicaid no longer has annual cell interim calim) and 5 (late charges) will be denied. Use better with the denied into the division of the division of the denied of the denied of the division of the divi |
| 39 WHAT APR-DRG CODE DOES MEDICAID ASSIGN? | 1.50 | Applies to transplant DRGs as shown in the attached DRG table These values are returned by the claims processing system. | invitation Number of inedically necessary (e.g., 30 de appropriate. |
| 40 APR-DRG (Version 31) | 139-1 | From separate APR-DRG grouping software | hat exceed a first (TAN): |
| | | | hit is appropriate care per vear |
| 41 APR-DRG description | OTHER PNEUMONIA | Look up from DRG table. | the gin date must a starre continued star |
| | | | hat exceed 19 days require continued stay review. N begin date must equal the admit date user. |
| 42 Base DRG w/o SOI 42 Mental Health policy adjuster eligible, Y = 1, Blank = N | 139 | Used to define policy adjustor upper and lower limit where appropriate. If E42 is between 740 and 776, return a value of 1, else leave cell blank. | The second 19 days require continued stay review. W begin date must equal the admit date, unless Medicaid eligibility begins after the ite. In this case it for the second stay will exceed six (6) days (including arge date). It a TAN: <u>http://ms.eqhs.org/Home.aspx</u> (eQHealth Solutions, see an et in buy Aspanda V 31 software and no. |
| 4 Transplant Indicator 45 Medicaid care category | NA | Look up from DRG table | arge date) IS necessary and alle will equal the dicaid eligibility |
| 45 Medicaid care category 46 Casemix Relative Weight | Adult respiratory 0.42020 | Look up from DRG table The relative weight with no adjustment for policy adjustors. | the The start only if the length wie Medicaid elicity begins after the |
| 47 Payment Relative Weight | 0.42020 | The relative weight with no adjustment for policy adjustors. The relative weight with the applicable policy adjustor factored into the base | AN: http://me |
| 48 National Average Length of Stay (ALOS) | 2.72 | Used in prorated and transfer payment adjustment. | ed to hunse seeks org/Home |
| IS THIS AN INTERIM CLAIM? Is discharge status equal to 30? Are MCD covered days > interim claim threshold? | No | Look up C24 | to state) to state the decision of the state of the decision of the d |
| 51 Are MCD covered days > interim claim threshold? | No | C21>C28 | er information by the Month Software and |
| 2 Interim claim payment. Skip to line E74 for final interim Pmt. | 0 | Interim claim payment is calculated when C24 is equal to yes and MCD cov | Submitted Cald Claims a field not che |
| 3 WHAT IS THE DRG BASE PAYMENT? | | day > 30 | et a psychiate |
| 54 DRG base payment for this claim | \$2,695.58 | C26 * C47 | ubiased on the |
| 54 DRG base payment for this claim 55 IS A TRANSFER PAYMENT ADJUSTMENT MADE? | | | ed to buy APR-DRG V 31 software aspx (eQHealth Solutions, 866.740.2221) If G is assigned by the Advance and need not show the APR-DRG on the er information submitted counts processing system based on the diagnoses. stays, separate claims exhibited and separate payments will be to submit values for the Present on Admission (inc.) b) beneficiaries: Providers needs on the Present on Admission (inc.) b) beneficiaries: Providers needs on the Present on Admission (inc.) b) beneficiaries: Providers needs on the Present on Admission (inc.) |
| 56 Is a transfer adjustment potentially applicable? 57 Calculated transfer payment adjustment. | No \$0.00 | Look up C22 (C56="Yes",(C54/C48)*(C21+1) | to applicable TAN requirements to submit while interview of the submitting |
| 57 Calculated transfer payment adjustment. 58 Is transfer payment adjustment > Base pmt? | NA NA | The transfer payment must be less than base payment in order for the Transfer | valid values for the and separate points, this situate |
| Is ransial balter adjustment > Base but? | | Adjustment to apply. | Payments will be |
| 59 Allowed amount at this point | \$2,695.58 | The lower-of between CS4 and C57, if the transfer adjustment calculation is performed. Else use C54. | (s) for denial price peed a control of Admission (back |
| 60 IS OUTLIER ADJUSTMENT MADE? | | | tips while prior to submitting |
| 61 Is this stay eligible for a day outlier payment or a cost outlier pmt | ? Cost Outlier | Eligibility for outlier payment does not guarantee an outlier payment amount. | beneficiaries: Providers need not submit inpatient laws fait, this situation is beneficiaries: Providers need not submit inpatient claims to the coordinated by or endine the providers of the telephic, do not supersede applicable statutes, Document control number use |
| 62 Cost Outlier Adjustment 63 Estimated cost of this case | \$4.018.95 | C16 * C19 | be helpful do an installing to the coordinate |
| | (\$1,323.37) | C54 - C63, or if transfer adjustment applicable C59 - C63 | not supersede |
| Estimated Usin (1) of LOS (-) Estimated Usin (1) of LOS (-) Des estimated loss exceed cost outlier threshold? Twhat is the difference between the estimated loss and the cost ou Cost outlier payment amount. Day Outlier Adjustmeent To Is the stay eligible for a day outlier payment? Are NLOC covered days greater than INH long stay threshold? | \$1,323.37 | Converts loss to a positive value if applicable. | Document control number 1002 |
| 66 Does estimated loss exceed cost outlier threshold? 67 What is the difference between the estimated loss and the cost ou | No ut \$0.00 | Is estimated loss greater than outlier threshold and E61 equal to cost outlier? C65 - C29 (True loss) | control pues, |
| 68 Cost outlier payment amount. | \$0.00 | C67 * C30 (True loss times Marginal cost percentage) | inditiber 1002 |
| 69 Day Outlier Adjustment | 11- | Elizability for and in an annual data and an annual so shifts and | |
| 70 Is this stay eligible for a day outlier payment? 71 Are MCD covered days greater than MH long stay threshold? | No | Eligibility for outlier payment does not guarantee outlier payment. Is C21 > C31? | |
| /2 Day outlier amount | \$0.00 | (C21 - C31) * C32 | |
| 73 DRG Payment After Outlier Adjustment | \$2 605 59 | | |
| 75 IS AN ADJUSTMENT FOR PARTIAL ELIGIBILITY MADE? | \$2,695.58 | C59+C68+C72 | |
| Yok print at this point. Yok print at this point. Yok point a | Bypass Prorated Adjustment | The prorated calculation is not applicable when C21 >=C20 | |
| 77 Partial Eligibility Adjustment | NA \$2.695.58 | (C74/C48)*(C21+1)) Lower-of between E74 and E77 if applicable | |
| 79 DRG Payment After Prorated Adjustment | a2,095.58 | coveror detween c/4 and c// ir applicable | |
| Prainal Englishity Adjustment < DRG payment? DRG Payment After Prorated Adjustment DRG payment so far CALCULATION OF ALLOWED AMOUNT AND REIMBURSEMEN | \$2,695.58 | C78 | xerox |
| 81 CALCULATION OF ALLOWED AMOUNT AND REIMBURSEMEN | NT AMOUNT \$0.00 | A ner stay amount ner heavital that multice for medical advection | |
| CALCULATION OF ALLOWED AMOUNT AND REIMBURSEMEN S Addo-a mount for medical education (where applicable) Aldowed amount Third party liability Patient cost-sharing Payment amount June 2, 2014 | \$2,695.58 | A per stay amount per hospital that qualifies for medical education payment C80 + C82 | |
| 84 Third party liability | \$0.00 | Third party liability responsibility (input by hospital) | |
| 85 Patient cost-sharing | \$0.00 \$2,695.58 | Co-pay or other patient liability (input by hospital) ((C83-C84-C85)>0,C83-C84-C85,0); cannot be negative | |
| June 2, 2014 | 92,035.56 | (cos-co-cos)-o,co-co-co-co,o, cannot be negative | |
| | | | |



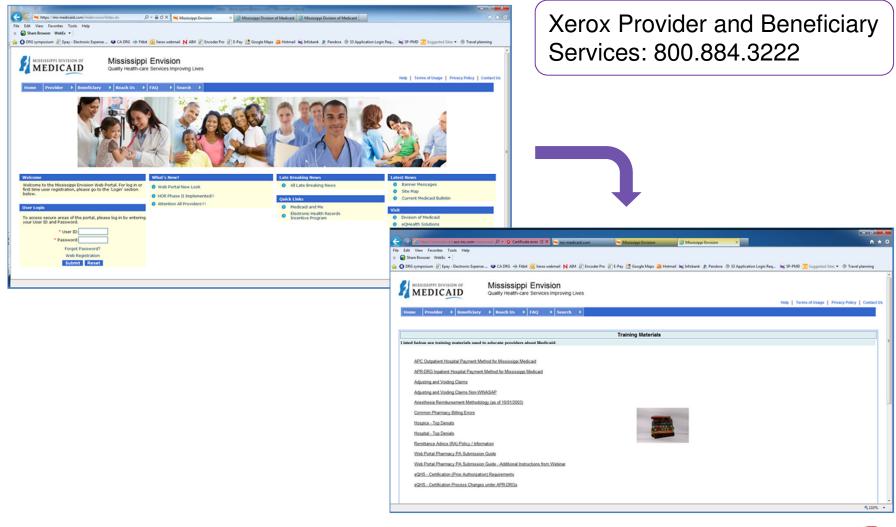
Overview DOM website: www.medicaid.ms.gov





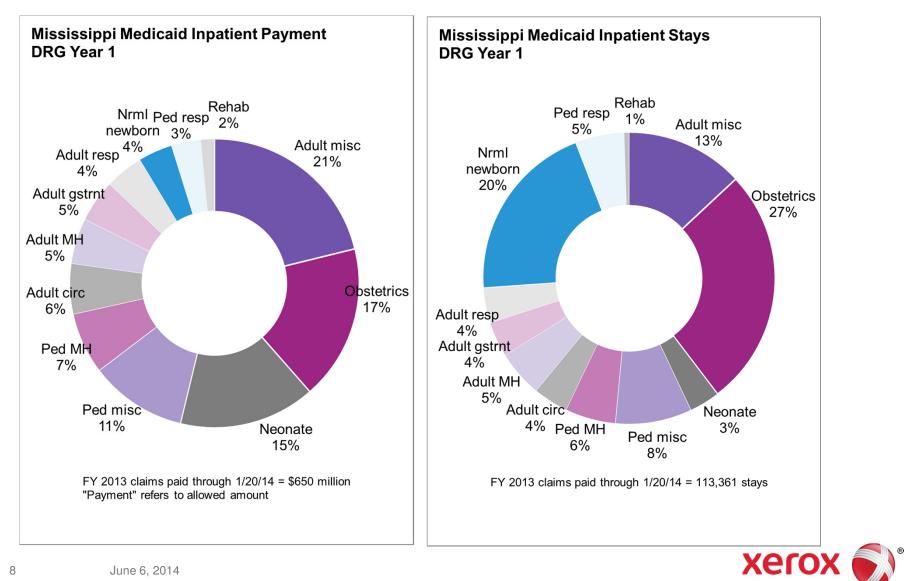
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Overview https://ms-medicaid.com/msenvision/index.do



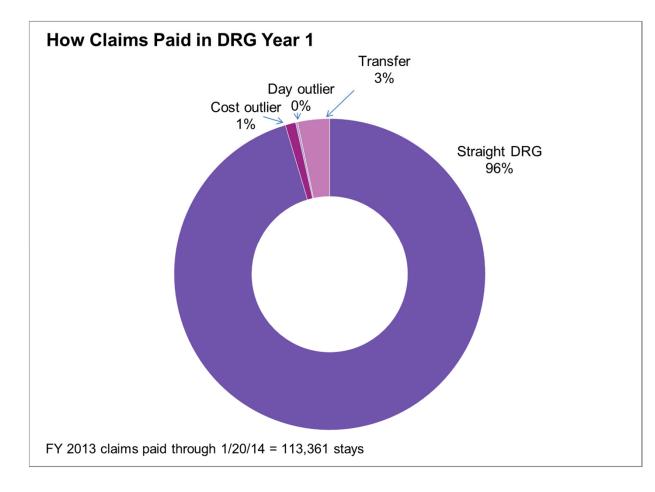


Overview Stays and Payments in DRG Year 1



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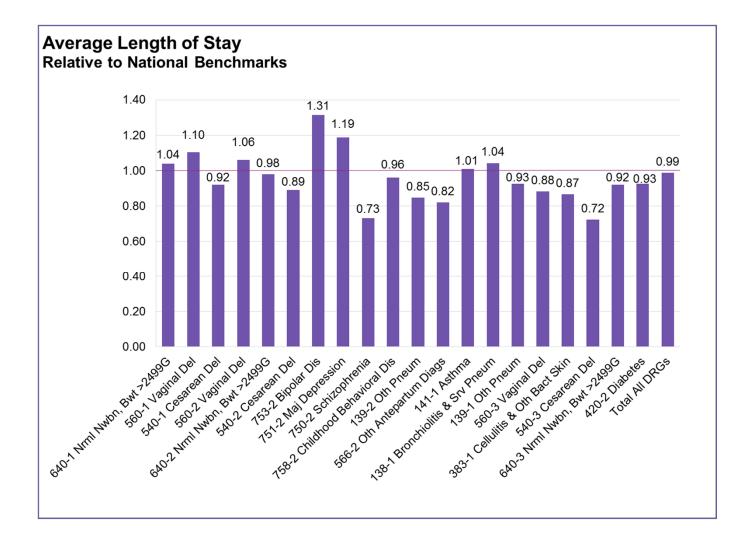
Overview How Claims Paid in Year 1



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



Top 20 APR-DRGs: Average Length of Stay



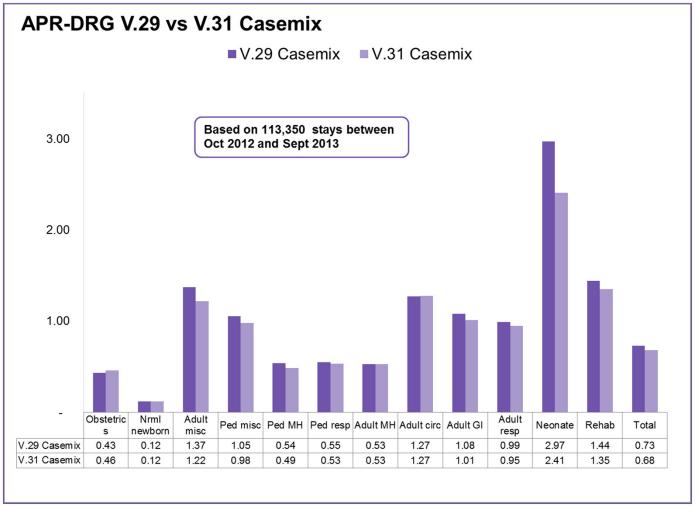


Grouper Update APR-DRG V.30 to V.31

- 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



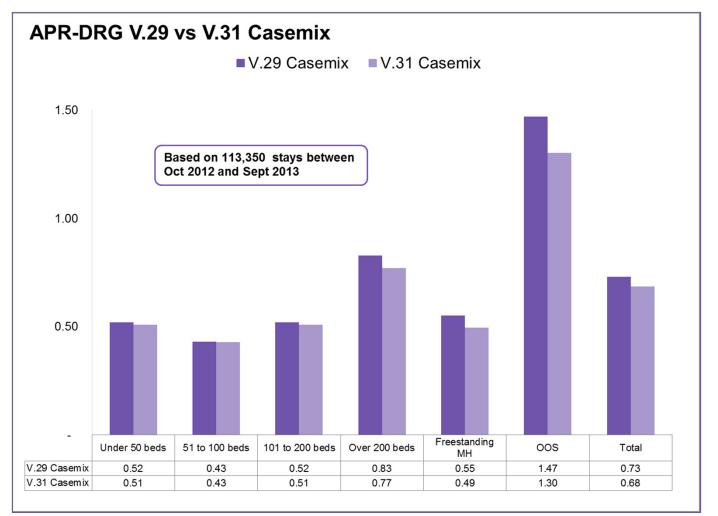
Grouper Update Casemix by Medicaid Care Category



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



Grouper Update 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



Grouper Update Impact on Casemix

| | V.29 Case | mix | | V.31 Case | mix | |
|--------------------|-----------|--------|---------|-----------|--------|---------|
| | 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



Payment Policy Update 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 Update 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



Payment Policy Update 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 |

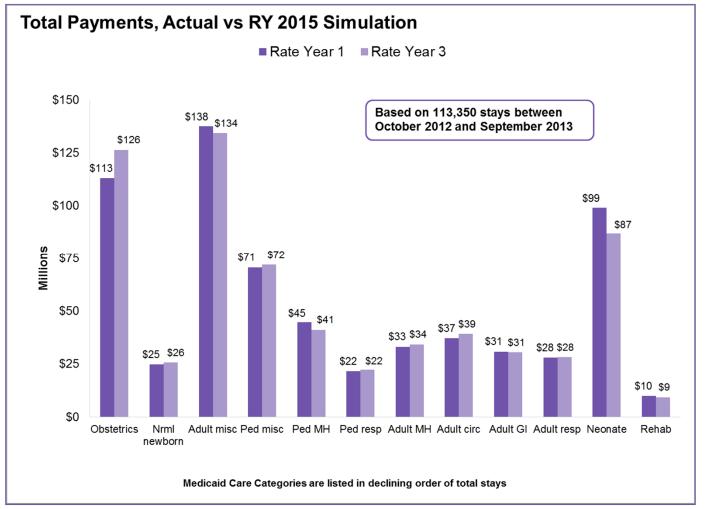


Payment Policy Update Health Care Acquired Conditions

- 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



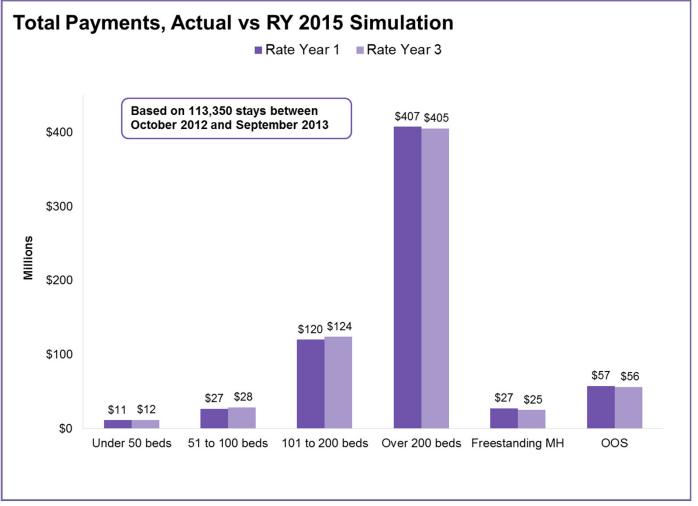
Impacts by Medicaid Care Category



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



Impacts by Medicaid Care Category

| | Actual Pa | yment Ye | ar 1 (Oct 2012 | 2-Sept 2013) | DRG Sim | nulation for Y | /ear 3 (July 201 | 4-June 2014) | Actual to Simu | ulation |
|-----------------------|-----------|-----------------|--------------------|-------------------|---------|-----------------|--------------------|----------------------|----------------|---------|
| | 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% | | |



Impacts by Hospital Peer Group

| | Actual P | ayment Y | ear 1 (Oct 2012 | 2-Sept 2013) | DRG Sim | ulation for Ye | ar 3 (July 1, 20 |)14) | Actual to Sim | ulatior |
|-----------------------|----------|-----------------|--------------------|-------------------|---------|-----------------|--------------------|----------------------|---------------|---------|
| | | 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 | | | | 1 | | | | | |



Impact (2-Year): Hospitals Over 200 Beds

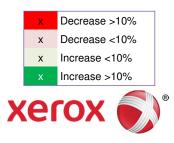
| | Actual | Payment | Year 1 Oc | t 2012-Sept 2013 | Simulatio 2015 | n Year 3 July 201 | 4-June | Change Over T | wo Year F | Period | |
|--------------------------------------|--------|-------------|-----------------|----------------------|-------------------|----------------------|--------------|-----------------|-------------|-----------|---------|
| Hospital | 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% | х | |
| 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 |





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

| | Actual | Payment | Year 1 Oc | t 2012-Sept 2013 | Simulation 2015 | n Year 3 July 201 | 4-June | Change Over | Two Year | Period | | |
|--------------------------------------|--------|-------------|-----------------|----------------------|--------------------|----------------------|--------------|---------------|-------------|--------|---------|--------|
| Hospital | Stays | Cov Days | V.29 Casemix | Total DRG Payment | V.31 Casemix | Total DRG Payment | Outlier % | Change | Change % | Chang | e in Pa | ayment |
| 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% | | | х |
| 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% | | | х |
| 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% | | х | |
| 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% | | | х |
| 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% | | х | |
| Natchez Community Hospital | 1,154 | 3,833 | 0.47 | \$3,938,925 | 0.47 | \$4,105,470 | 0.3% | \$166,544.75 | 4.2% | | | х |
| 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% | | х | |
| 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% | | х | |
| Anderson Regional Medical Center So | 23 | 234 | 1.11 | \$302,940 | 1.08 | \$ 297,759 | 0.0% | -\$5,181.10 | -1.7% | | х | |



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

| | Actual | Payment | Year 1 Oct : | 2012-Sept 2013 | Simulatior 2015 | n Year 3 July 2014 | -June | Change Over T | wo Year F | Period | |
|-------------------------------------|--------|-------------|-----------------|----------------------|--------------------|----------------------|--------------|---------------|-------------|-----------|---------|
| Hospital | 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% | | х |
| 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% | | |
| Wayne General Hospital | 659 | 2,293 | 0.49 | \$2,236,084 | 0.48 | \$2,326,747 | 0.2% | \$90,663.34 | 4.1% | | х |
| 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 |





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

| | | _ | | | | n Year 3 July 201 | 4-June | | | |
|-------------------------------------|--------|-------------|-----------------|----------------------|-----------------|----------------------|-----------|----------------|-------------|-------------------|
| | Actual | · · | | 2012-Sept 2013 | 2015 | | | Change Over Tv | | eriod |
| Hospital | 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% | х |
| S E Lackey Memorial Hospital | 262 | 743 | 0.46 | \$747,489 | 0.44 | \$ 760,343 | 0.0% | \$12,853.39 | 1.7% | х |
| 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 |





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

| | Actual 2013 | Paymen | t Year 1 Oc | t 2012-Sept | Simulation June 2015 | n Year 3 July | 2014- | Change Over | Two Year | Period | |
|-------------------------------------|----------------|-------------|-----------------|----------------------|-------------------------|----------------------|--------------|--------------|-------------|---------------|------|
| Hospital | Stays | Cov Days | V.29 Casemix | Total DRG Payment | V.31 Casemix | Total DRG Payment | Outlier % | Change | Change % | Change in Pay | ment |
| 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% | | х |
| 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% | | |





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

| | Actual Payment Year 1 Oct 2012-Sept 2013 | | | | Simulation Year 3 July 2014-June 2015 | | | Change Over Two Year Period | | | | |
|------------------------------------|--|-------------|-----------------|----------------------|---------------------------------------|----------------------|-----------|-----------------------------|-------------|-------------------|---|--|
| Hospital | 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 HIth 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 HIth 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 | |

| | Actual I | Payment Y | /ear 1 Oct 2 | 012-Sept 2013 | Simulation Year 3 July 2014-June 2015 | | | Change Over Two Year Period | | | | |
|-------------------------------------|----------|-------------|-----------------|----------------------|---------------------------------------|----------------------|-----------|-----------------------------|-------------|-------------------|---|--|
| Hospital | 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% | × | | |
| 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 | |





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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