

A close-up photograph of a man with dark hair and glasses, wearing a grey suit jacket, a light blue shirt, and a red tie. He has a serious, thoughtful expression and is looking slightly to the right. The background is blurred, showing what appears to be an office or professional setting.

# DRG Update for July 1, 2016

MSI-16018 Mississippi Division of Medicaid

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# Background

- DRG payment is used for all Mississippi Medicaid inpatient acute care stays
  - Presently includes Medicaid hospital fee-for-service and Coordinated Care services for beneficiaries enrolled in MississippiCan
    - Hospital inpatient services were rolled into coordinated care beginning December 1, 2015
  - Includes all general and specialty hospitals, including psychiatric, rehabilitation, Medicare critical access and Medicare long-term acute
  - Impacts should be viewed in terms of percentage changes
  - Actual payment under APR-DRGs adjusts automatically to reflect changes in volume and casemix overall by hospital

# Background (cont.)

- Implemented October 1, 2012, in order to reward efficiency, encourage access, increase transparency and reduce administrative burden
- Expectation is to update annually
- Approximately \$650 million a year is paid for 110,000 stays

# Key Information Resources



## Mississippi Medicaid DRG Payment Frequently Asked Questions for FY 2017

Version Date: July 1, 2016 (updated May 10, 2016)  
 Since October 1, 2012, the Mississippi Division of Medicaid has used a DRG payment method for inpatient services. Our goals are to promote access to care, reduce the administrative burden for the Division and hospitals, and ensure that our policies supersede applicable laws, regulations, and policies.

### THE DRG PAYMENT METHOD

1. What DRG algorithm and version does the Division use?  
 The Division uses 3M™ All Patient Refined Diagnosis Related Groups (APR-DRG) Health Information Systems. Effective dates for each DRG version are:

Year	Effective Dates	Ver
Year 1	10/1/2012 to 9/30/2013	V.21
Year 2	10/1/2013 to 9/30/2014	V.22
Year 3	07/01/2014 to 06/30/2015	V.23
Year 4	07/01/2015 to 06/30/2016	V.24
Year 5	07/01/2016 to 6/30/2017	V.25

Notes:  
 1. Claims payment is driven by last date of service.  
 2. Timeframes changed between years 2 and 3 to align with state fiscal year.

### 2. What providers and services are affected?

The DRG payment method applies to inpatient care in all acute care hospitals, freestanding psychiatric hospitals, and freestanding rehabilitation facilities. Outpatient care, provided by acute care hospitals are not affected. Outpatient care, provided by psychiatric residential treatment facilities, Indian Health Service, and other facilities are among the providers not affected by DRG payment.

### 3. How much money is affected?

July 1, 2016



## Mississippi Division of Medicaid DRG Pricing Calculator

Instructions:  
 1. The hospital or other user inputs data in cells C16-C18, C20-C24, C40, C84-C85  
 2. Mississippi Medicaid payment policy parameters have already been entered in cells C26-C38  
 3. The calculator will show the predicted allowed amount and paid amounts in cells C39 and C36, respectively.

A	B	C	D	E
16	INPUT INFORMATION			
17	Covered charges	\$20,000.00		These values are unique for each claim and are input by the hospital
18	Select hospital name or state	Allegheny Specialty Hospital of Greenville	FL-04 Field Locator (FL) 47 minus FL-48	Used to estimate the hospital's cost of this stay
19	Is the last date of service equal to or greater than 10/1/2016?	No		Determines which CCR to use; updated values effective 10/1/2015
20	Hospital-specific cost-to-charge ratio	26.40%		Look up from CCR table
21	Medicaid covered days	5		Used for transfer pricing adjustment
22	Patient discharge status = 02.05.07.63.65.66.82.85.91.93.94	No		Used for prorated pricing adjustment
23	Is discharge status equal to 30 (still a patient)?	No		The age of the beneficiary
24	Indicates an interim claim	No		Indicates an interim claim
25	PAYMENT POLICY PARAMETERS SET BY MEDICAID			These values are set by Medicaid and should not be changed.
26	DRG base price	\$5,415		Used to calculate the DRG base payment.
27	Interim claim per diem amount	\$850		Used to calculate payment for interim stays; bill types 2 or 3 only
28	Interim claim day threshold	30		For interim payment, the length of stay must exceed this value
29	Cost outlier threshold	\$50,000		Cost on a given stay must exceed this amount to be considered for outlier payment
30	Marginal cost percentage	0.50		Used in the cost outlier calculation
31	Mental health long stay threshold (in days)	19		Used to determine eligibility for a day outlier payment for mental health stays
32	Mental health outlier per diem amount	\$450		Applies if the Medicaid care category is obstetric or normal newborn
33	Obstetric/newborn policy adjuster	1.50		Applies if the Medicaid care category is neonate
34	Neonate policy adjuster	1.45		Applies to DRGs 860-1 to 864-0 only
35	Rehab policy adjuster	2.00		Applies to mental health DRGs as shown in the attached DRG table
36	Pediatric mental health policy adjuster	2.00		Applies to mental health DRGs as shown in the attached DRG table
37	Adult mental health policy adjuster	1.60		Applies to mental health DRGs as shown in the attached DRG table
38	Transplant policy adjuster	1.50		Applies to transplant DRGs as shown in the attached DRG table
39	WHAT APR-DRG CODE DOES MEDICAID ASSIGN?			These values are returned by the claims processing system.
40	APR-DRG (Version 33)	560-1		From separate APR-DRG grouping software
41	APR-DRG description	VAGINAL DELIVERY		Look up from DRG table
42	Base DRG w/o SUI	560		Used to define any applicable policy adjuster
43	Mental health policy adjuster eligible, Y = 1, Blank = N			If E42 is between 740 and 776, return a value of 1, else leave cell blank
44	Transplant indicator	N/A		Look up from DRG table
45	Medicaid care category	Obstetrics		Look up from DRG table
46	Casemix relative weight	0.33066		The relative weight with no adjustment for policy adjusters
47	Payment relative weight	0.49599		The relative weight including any applicable policy adjusters
48	National average length of stay (ALOS)	2.03		Used in prorated and transfer payment adjustment
49	IS THIS AN INTERIM CLAIM?			
50	Is discharge status equal to 30?	No		Look up C24
51	Are MCD covered days > interim claim threshold?	No		C21 * C29
52	Interim claim payment. Skip to line E74 for final interim payment.	No		Interim claim payment is calculated when C24 = Yes and C21 > C28
53	WHAT IS THE DRG BASE PAYMENT?			
54	DRG base payment for this claim	\$3,181.78		C26 * C47
55	IS A TRANSFER PAYMENT ADJUSTMENT MADE?			
56	Is a transfer adjustment potentially applicable?	No		Look up C22
57	Calculated transfer payment adjustment	\$0.00		(C56 * Y) * (C54 * C48) / (C21 + 1)
58	Is transfer payment adjustment > base payment?	N/A		The transfer payment must be less than the base payment in order for the transfer adjustment to apply
59	Allowed amount at this point	\$3,181.78		The lower of between C54 and C57, if the transfer adjustment calculation is performed. Else use C54.
60	IS OUTLIER ADJUSTMENT MADE?			
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
62	Estimated cost of this case	\$5,280.00		C16 * C19
63	Estimated gain (+) or loss (-)	(\$2,098.22)		C54 * C83 + C59 - C63 * transfer adjustment applicable
64	Estimated loss	\$2,098.22		Converts loss to a positive value if applicable
65	Does estimated loss exceed cost outlier threshold?	No		Is estimated loss greater than outlier threshold and E61 equal to cost outlier?
66	Difference between estimated loss and cost outlier threshold	\$0.00		C55 - C59 (True loss)
67	Cost outlier payment amount	\$0.00		C67 * C30 (True loss times Marginal cost percentage)
68	Day Outlier Adjustment			
69	Is this stay eligible for a day outlier payment?	No		Eligibility for outlier payment does not guarantee outlier payment
70	Are MCD covered days greater than the MH long stay threshold?	No		Is C21 * C31?
71	Day outlier amount	\$0.00		(C21 - C31) * C32
72	DRG Payment After Outlier Adjustment			
73	DRG payment at this point	\$3,181.78		C59 + C68 - C72
74	IS AN ADJUSTMENT FOR PARTIAL ELIGIBILITY MADE?			
75	Are MCD covered days less than length of stay (LOS)?	Bypass Prorated Adjustment		The prorated calculation is not applicable when C21 =>= C20
76	Partial eligibility adjustment	N/A		(C74 * C48) / (C21 + 1)
77	Is partial eligibility adjustment < DRG payment?	\$3,181.78		Lower of between E74 and E77, if applicable
78	DRG Payment After Prorated Adjustment			
79	DRG payment to pay	\$3,181.78		C78
80	CALCULATION OF ALLOWED AMOUNT AND REIMBURSEMENT AMOUNT			
81	Add-on amount for medical education (where applicable)	\$0.00		A per stay amount per hospital that qualifies for medical education payment
82	Allowed amount	\$3,181.78		C80 + C82
83	Third party liability	\$0.00		Third party liability responsibility (input by hospital)
84	Third party liability	\$0.00		Co-pay or other patient liability (input by hospital)
85	Payment amount	\$3,181.78		(C83 - C84 - C85) * (C30 - C34 - C35, 0), cannot be negative

Updated 5/9/2016



## Mississippi Medicaid DRG Payment Method Billing Quick Tips for FY 2017

Medicaid webpage at [www.medicaid.ms.gov/providers/finance/](http://www.medicaid.ms.gov/providers/finance/) includes key information about inpatient hospital payment method effective July 1, 2016, such as:  
 - Billing questions  
 - Billing calculator (a spreadsheet file that shows pricing calculations and includes the FY 2017 APR-DRGs and relative weights)  
 - Billing presentation

Beneficiary Services assistance, call 1.800.884.3222.  
 - Bill on their own claim, not on their mother's claim.  
 - Bill in a gender code; otherwise the claim will be suspended.  
 - Bill within three days prior to the admission date that are considered to be part of the claim.  
 - Bill separately. As with Medicare payment methodology, hospitals may indicate bills are unrelated to the inpatient stay through the appropriate use of condition code 11. Please take care not to bill Medicaid or the Medicaid managed care plans for bills defined to be within the window.

Codes 112 and 113) are not required but may be submitted if the stay exceeds 30 days. Proper use of the correct discharge status code when an interim claim is filed. The interim claims should be voided or adjusted, and the hospital should file the entire stay.

Codes 4 (last interim claim) or 5 (late charges) will be denied. Use frequency charge) and 6 (adjustment) as appropriate.  
 - If the provider has annual service limits (e.g., 30 days of inpatient care per year). If the limit is reached for medically necessary care, appropriate care will be reimbursed.  
 - If the number (TAN):  
 - If the provider requires continued stay review.  
 - If the date will equal the Medicaid eligibility begin date.  
 - If necessary only if the length of stay will exceed six days (including the date of admission).

es.ohs.org/home.aspx (eQHHealth Solutions, 866.740.2221)  
 - PR-DRG V.33 software and need not show the APR-DRG on the claim.  
 - The Medicaid claims processing system based on the diagnoses, ICD-9-CM, and procedure codes submitted by the hospital.  
 - Chiropractic or rehabilitation unit within the same hospital, this situation is not covered by the DRG payment method. Rate claims should be submitted and separate payments will be made.  
 - TAN requirements.

values for the Present on Admission (POA) indicator.  
 - es: Providers need not submit inpatient claims to the coordinated care system. If a claim is submitted to the Mississippi Medicaid.  
 - Intended to be helpful, do not supersede applicable statutes.

07-01-16



# DRG Payment

- Simulated DRG payment does not include supplementary payments to hospitals
- DRG payment refers to allowed amount (which is approximately 3% higher than reimbursement)
- DRG payment excludes:
  - Disproportionate Share (DSH) and Mississippi Hospital Access Program (MHAP) payments
  - Approximately \$35 million in medical education payment
  - Medicare crossover claims (where Medicare is primary payer)

# Mississippi Medicaid DRG Years

DRG Year	State Fiscal Year	Calendar Date Range
DRG year 1		Oct 2012 – Sep 2013
DRG year 2		Oct 2013 – Jun 2014
DRG year 3	SFY 2015	Jul 2014 – Jun 2015
DRG year 4	SFY 2016	Jul 2015 – Jun 2016
DRG year 5	SFY 2017	Jul 2016 – Jun 2017

# Datasets

Dataset	Description
Analytical	Actual FY 2015 claims (DOS between 7/1/2014 and 6/30/2015 paid through 1/4/2016)
Base year	FY 2015 claims repriced using FY 2016 payment policy (provides FY 2017 budget target)
Simulation	FY 2015 claims repriced using FY 2017 payment policy to meet budget target



# Headlines for SFY 2017

- DRG base price and all pricing parameters for Year 5 remain the same as Year 4
- Updating to APR-DRG V.33 and HCAC V.33
  - APR-DRG V.33 grouping logic, weights, and National average length of stay are same as APR-DRG V.32
  - HCAC V.33 diagnosis codes, categories and logic remain the same as HCAC V.32

# Payment Policy Values

Item	Year 1	Year 2	Year 3	Year 4	Year 5
<b>Calendar period</b>	Oct. 1, 2012 to Sep. 30, 2013	Oct.1 2013 to Jun. 30, 2014	Jul. 1, 2014 to Jun. 30, 2015	Jul. 1, 2015 to Jun. 30, 2016	Jul. 1, 2016 to Jun. 30, 2017
<b>Budget target</b>	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 the period Oct. 1 2012 - Sep. 30, 2012, not including medical education	Budget neutral (on a volume-adjusted basis) with the period Oct. 1 2012 - Sep. 30, 2012, not including medical education	Budget neutral with the period Jul. 1 2013 - Jun. 30, 2014, not including medical education	Budget neutral with the period Jul. 1 2014 - Jun. 30, 2015, not including medical education
<b>Documentation and coding adj.</b>	3.5%	3.5%	Changed to 2.0%	Changed to 0%	No change--0%
<b>DRG base price</b>	\$6,223	Changed to \$6,022	Changed to \$6,415	\$6,415	No change—\$6,415
<b>APR-DRG version</b>	V.29	Changed to V.30	Changed to V.31	Changed to V.32	Change—from V.32 to V.33
<b>APR-DRG relative weights</b>	V.29 traditional weights	Changed to V.30 HSRV weights	Changed to V.31 HSRV weights	Changed to V.32 HSRV weights	Change—to V.33 HSRV weights
<b>Average casemix</b>	0.73	0.70	0.72	0.72	0.72
<b>Policy adjustor—pediatric MH</b>	2.08	2.08	Changed to 2.00	2.00	No change—2.00
<b>Policy adjustor—adult MH</b>	1.75	1.75	1.75	Changed to 1.60	No change—1.60
<b>Policy adjustor—obstetric</b>	1.40	1.40	1.40	Changed to 1.50	No change—1.50
<b>Policy adjustor—normal newborn</b>	1.40	1.40	1.40	Changed to 1.50	No change—1.50
<b>Policy adjustor—neonate</b>	1.40	1.40	1.40	Changed to 1.45	No change—1.45
<b>Policy adjustor—rehab</b>	2.11	2.11	Changed to 2.00	2.00	No change—2.00
<b>Policy adjustor—transplant</b>	1.50	1.50	1.50	1.50	No change—1.50
<b>Policy adjustor—other</b>	None	None	None	None	None
<b>Cost outlier pool</b>	Target 5%	Target 5%	Target 5%	Target 5%	No change—target 5%
<b>Cost outlier threshold</b>	\$30,000	Changed to \$32,800	Changed to \$35,175	Changed to \$50,000	No change—\$50,000

# Payment Policy Values (cont.)

Item	Year 1	Year 2	Year 3	Year 4	Year 5
<b>Calendar period</b>	Oct. 1, 2012 to Sep. 30, 2013	Oct.1 2013 to Jun. 30, 2014	Jul. 1, 2014 to Jun. 30, 2015	Jul. 1, 2015 to Jun. 30, 2016	Jul. 1, 2016 to Jun. 30, 2017
<b>Marginal cost percentage</b>	60%	60%	60%	Changed to 50%	No change--50%
<b>Day outlier threshold</b>	19 days	19 days	19 days	19 days	No change—19 days
<b>Day outlier per diem payment</b>	\$450	\$450	\$450	\$450	No change—\$450
<b>Interim claim per diem amount</b>	\$450	\$850	\$850	\$850	No change—\$850
<b>Cost-to-charge ratios</b>	Latest available	Latest available	Actual for LDOS + 1 year	Actual for LDOS + 1 years	Actual for LDOS + 2 years
<b>Charge levels used for simulation</b>	Actual	Adjusted for expected charge inflation of 9.37%	Adusted for expected charge inflation of 8.62%	Adusted for expected charge inflation of 8.18	Adjusted for expect charge inflation of 5.05%
<b>Transfer adj discharge values</b>	02, 05, 07, 65, 66	02, 05, 07, 63, 65, 66	02, 05, 07, 63, 65, 66, 82, 85, 91, 93, 94	02, 05, 07, 63, 65, 66, 82, 85, 91, 93, 94	No change—02, 05, 07, 63, 65, 66, 82, 85, 91, 93, 94
<b>Pediatric age cutoff</b>	Under age 21	Under age 21	Under age 21	Under age 21	No change—under age 21
<b>Pricing logic</b>	No change	No change	No change	No change	No change
<b>Allowed chg source logic</b>	No change	No change	No change	No change	No change
<b>Medicaid Care Category definitions</b>	No change	No change	No change	No change	No change
<b>Medical education add-on payments</b>	From list	Updated list, reflecting market basket increase	Updated list, reflecting market basket increase	Updated list, reflecting market basket increase	Updated list, reflecting market basket increase
<b>Per diem treatment auth. threshold</b>	19 days	19 days	19 days	19 days	No change—19 days
<b>Other aspects of payment method</b>	No change	No change	No change	No change	No change

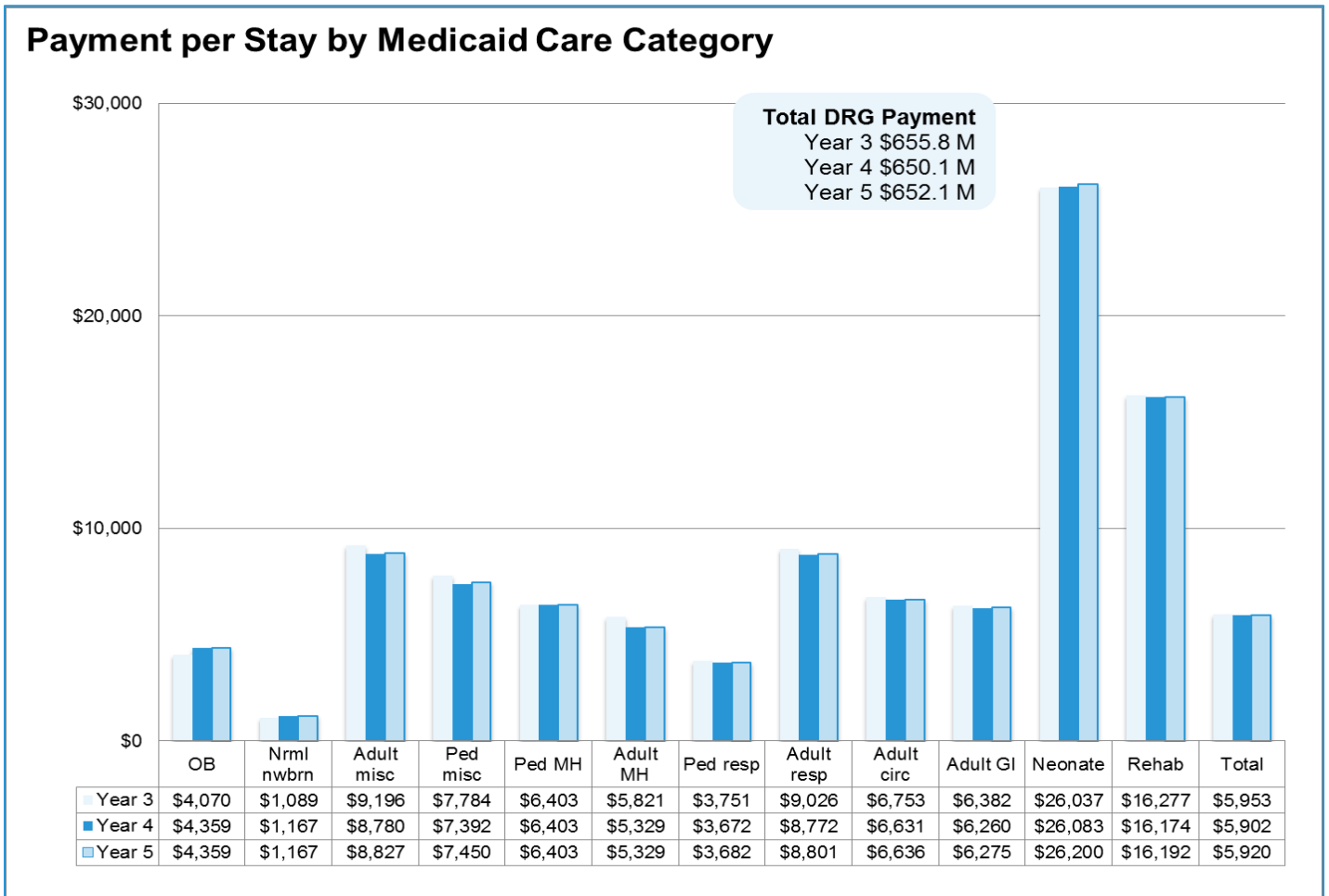
# Simulated Impacts by Medicaid Care Category for SFY 2017

MCC	Stays	Covered Days	Year 4				Year 5				DRG Year 4 to 5	
			Outlier	DRG Payment	Payment / Stay	Outlier Pct	Outlier	DRG Payment	Payment / Stay	Outlier Pct	Change	Pct
OB	27,198	72,057	\$55,989	\$118,544,531	\$4,359	0.0%	\$58,248	\$118,546,790	\$4,359	0.0%	\$2,259	0.0%
Nrml newborn	22,847	53,243	\$0	\$26,664,459	\$1,167	0.0%	\$0	\$26,664,459	\$1,167	0.0%	\$0	0.0%
Adult misc	14,827	86,908	\$9,370,069	\$130,180,521	\$8,780	7.2%	\$10,074,550	\$130,877,272	\$8,827	7.7%	\$696,751	0.5%
Ped misc	9,124	38,415	\$8,631,551	\$67,446,665	\$7,392	12.8%	\$9,161,232	\$67,975,740	\$7,450	13.5%	\$529,075	0.8%
Ped MH	7,247	72,247	\$2,075,400	\$46,405,962	\$6,403	4.5%	\$2,075,400	\$46,405,962	\$6,403	4.5%	\$0	0.0%
Adult MH	6,347	40,843	\$494,100	\$33,825,151	\$5,329	1.5%	\$494,100	\$33,825,151	\$5,329	1.5%	\$0	0.0%
Ped resp	4,965	15,831	\$561,737	\$18,230,768	\$3,672	3.1%	\$609,843	\$18,278,875	\$3,682	3.3%	\$48,106	0.3%
Adult resp	4,211	20,700	\$710,802	\$26,362,811	\$6,260	2.7%	\$773,394	\$26,423,618	\$6,275	2.9%	\$60,808	0.2%
Adult circ	4,388	19,175	\$835,140	\$38,491,586	\$8,772	2.2%	\$961,507	\$38,617,953	\$8,801	2.5%	\$126,367	0.3%
Adult GI	4,298	20,616	\$393,443	\$28,499,678	\$6,631	1.4%	\$414,381	\$28,520,615	\$6,636	1.5%	\$20,938	0.1%
Neonate	3,977	75,763	\$5,906,282	\$103,731,334	\$26,083	5.7%	\$6,373,830	\$104,198,882	\$26,200	6.1%	\$467,548	0.5%
Rehab	727	9,944	\$160,248	\$11,758,423	\$16,174	1.4%	\$173,386	\$11,771,561	\$16,192	1.5%	\$13,138	0.1%
<b>Total</b>	<b>110,156</b>	<b>525,742</b>	<b>\$29,194,760</b>	<b>\$650,141,887</b>	<b>\$5,902</b>	<b>4.5%</b>	<b>\$31,169,870</b>	<b>\$652,106,877</b>	<b>\$5,920</b>	<b>4.8%</b>	<b>\$1,964,990</b>	<b>0.3%</b>

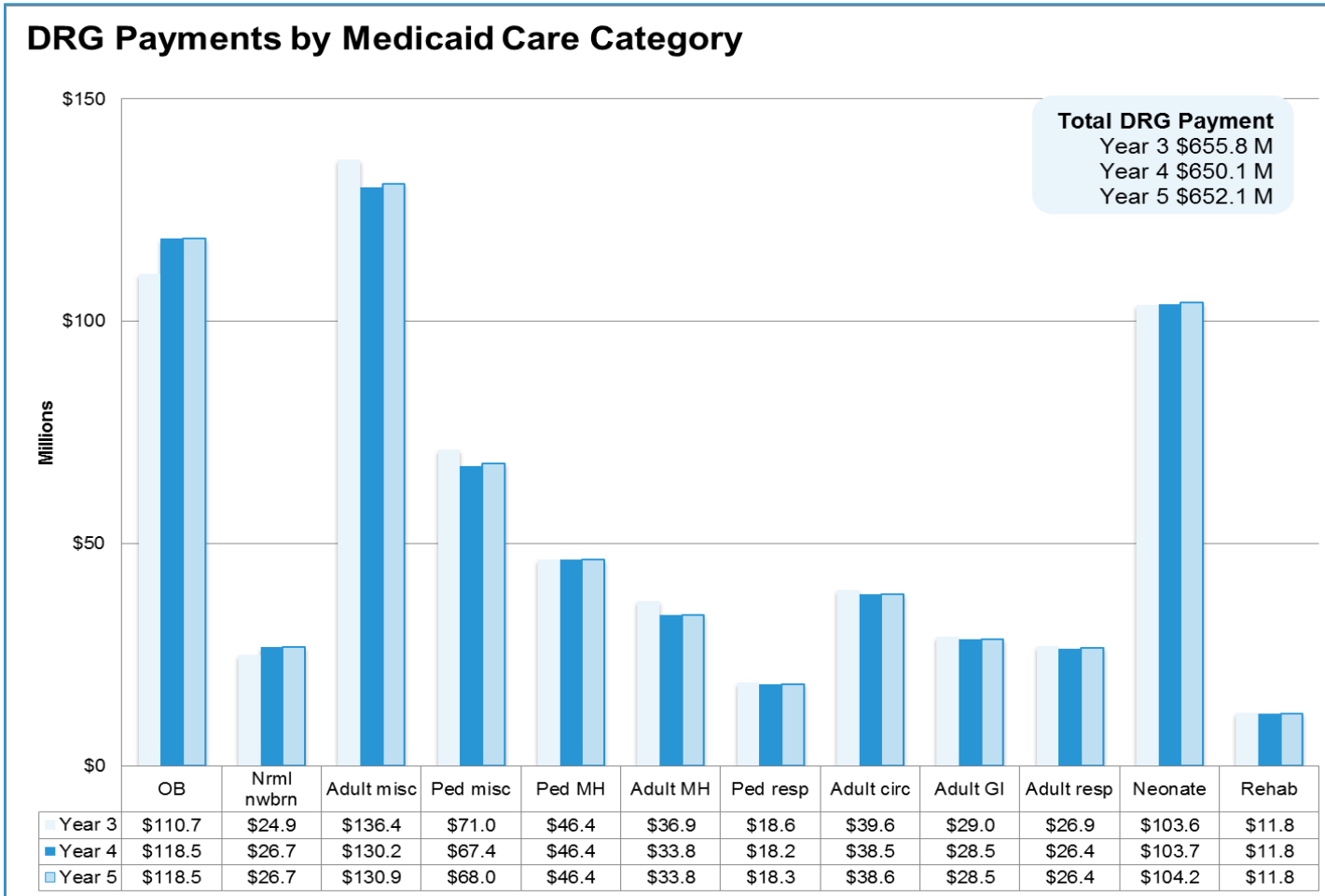
Note:

1. Claims used in this comparison had last date of service (LDOS) between July 1, 2014 and June 30, 2015.

# Simulated Impacts–Payment Per Stay by Medicaid Care Category



# Simulated Impacts-Total Payment by Medicaid Care Category



# Simulated Impacts by Peer Group

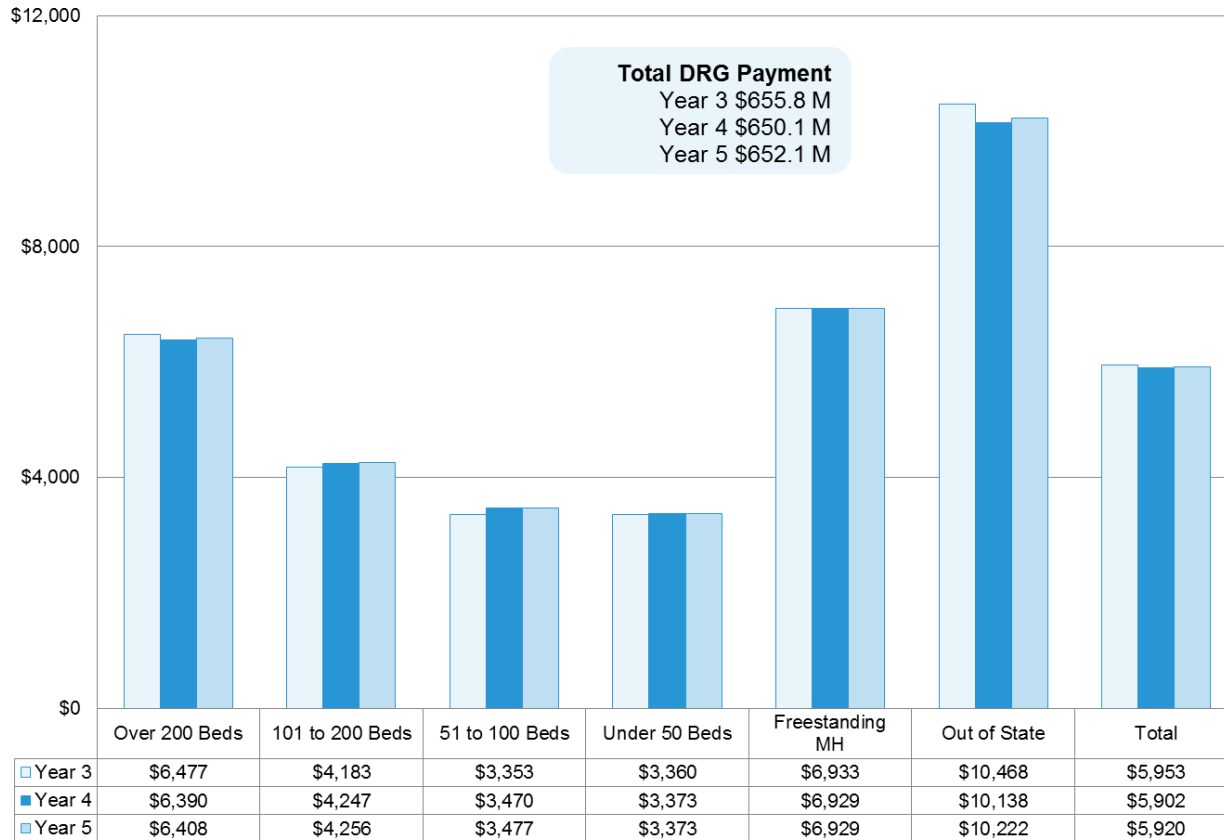
Peer Group	Stays	Covered Days	Year 4				Year 5				DRG Year 4 to 5	
			Outlier	DRG Payment	Payment / Stay	Outlier Pct	Outlier	DRG Payment	Payment / Stay	Outlier Pct	Change	Pct
Over 200 beds	69,312	328,335	\$20,115,001	\$442,889,879	\$6,390	4.5%	\$21,373,668	\$444,144,430	\$6,408	4.8%	\$1,254,552	0.3%
101 to 200 beds	19,739	76,106	\$882,215	\$83,824,925	\$4,247	1.1%	\$1,061,620	\$83,999,991	\$4,256	1.3%	\$175,066	0.2%
51 to 100 beds	8,142	23,270	\$255,987	\$28,256,491	\$3,470	0.9%	\$309,398	\$28,309,901	\$3,477	1.1%	\$53,411	0.2%
Under 50 beds	3,651	10,870	\$0	\$12,316,051	\$3,373	0.0%	\$0	\$12,316,051	\$3,373	0.0%	\$0	0.0%
Freestanding MH	3,599	41,495	\$1,883,744	\$24,936,935	\$6,929	7.6%	\$1,885,835	\$24,939,027	\$6,929	7.6%	\$2,091	0.0%
OOS	5,713	45,666	\$6,057,812	\$57,917,606	\$10,138	10.5%	\$6,539,349	\$58,397,476	\$10,222	11.2%	\$479,870	0.8%
<b>Total</b>	<b>110,156</b>	<b>525,742</b>	<b>\$29,194,760</b>	<b>\$650,141,887</b>	<b>\$5,902</b>	<b>4.5%</b>	<b>\$31,169,870</b>	<b>\$652,106,877</b>	<b>\$5,920</b>	<b>4.8%</b>	<b>\$1,964,990</b>	<b>0.3%</b>

Note:

1. Claims used in this comparison had LDOS between July 1, 2014 and June 30, 2015.

# Simulated Impacts-Payment per Stay by Peer Group

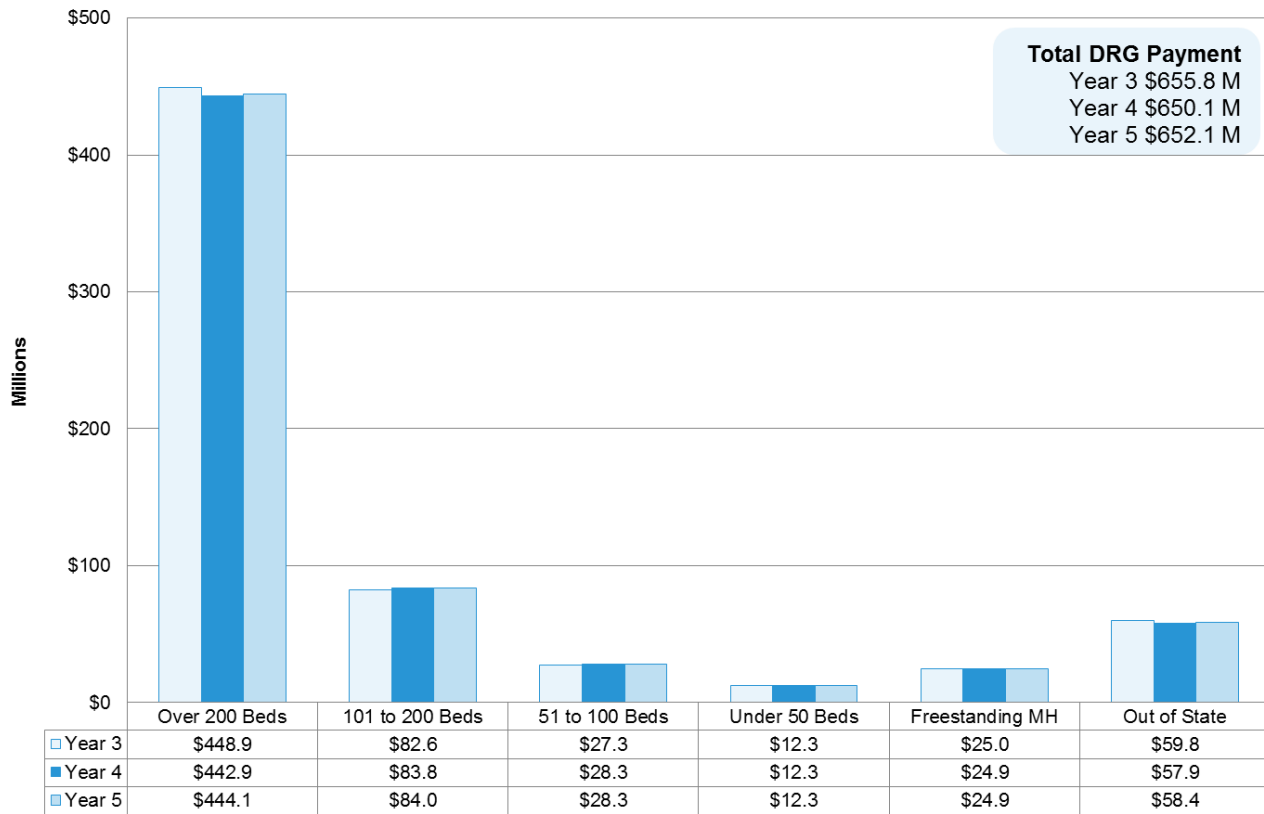
**Payment per Stay by Peer Group**





# Simulated Impacts-Total Payment by Peer Group

## DRG Payments by Peer Group



# Simulated Impacts-Hospitals Over 200 Beds

Over 200 Beds			Year 4		Year 5		Change in Payment		Change Category	
Hospital	Stays	Cov Days	V.32 Casemix	Total DRG Payment	V.33 Casemix	Total DRG Payment	\$ Change	% Change		
University of MS Med Ctr	12,350	90,794	1.37	\$139,746,143	1.37	\$140,529,113	\$782,970	0.6%		x
Forrest General Hsp	6,867	29,936	0.75	\$41,367,571	0.75	\$41,417,235	\$49,664	0.1%		x
North MS Med Ctr	4,548	24,640	0.90	\$32,428,944	0.90	\$32,373,421	-\$55,523	-0.2%	x	
St. Dominic - Jackson Mmrl Hsp	4,439	20,912	0.69	\$25,053,976	0.69	\$25,125,147	\$71,170	0.3%		x
Singing River Hsp System	3,845	13,038	0.61	\$18,074,034	0.61	\$18,191,220	\$117,185	0.6%		x
Baptist Mmrl Hsp - Desoto Cnty	3,597	12,995	0.56	\$16,008,934	0.56	\$16,035,259	\$26,325	0.2%		x
Mmrl Hsp at Gulfport	3,590	17,335	0.71	\$21,692,102	0.71	\$21,766,726	\$74,624	0.3%		x
Merit Hlth Central	2,992	14,099	0.74	\$18,872,711	0.74	\$18,813,083	-\$59,628	-0.3%	x	
Merit Hlth River Region	2,951	15,426	0.58	\$14,693,858	0.58	\$14,718,235	\$24,377	0.2%		x
South Central Rgnl Med Ctr	2,832	9,079	0.51	\$10,989,959	0.51	\$10,996,199	\$6,240	0.1%		x
Mississippi Baptist Med Ctr	2,816	14,409	0.80	\$17,421,693	0.80	\$17,522,010	\$100,318	0.6%		x
Delta Rgnl Med Ctr	2,780	11,797	0.65	\$14,189,298	0.65	\$14,201,999	\$12,702	0.1%		x
Anderson Rgnl Med Ctr	2,775	10,221	0.64	\$13,739,583	0.64	\$13,761,069	\$21,486	0.2%		x
Greenwood Leflore Hsp	2,532	8,724	0.58	\$11,035,844	0.58	\$11,039,322	\$3,478	0.0%		x
Merit Hlth Wesley	2,493	8,403	0.56	\$11,178,878	0.56	\$11,214,869	\$35,990	0.3%		x
Baptist Mmrl Hsp - Golden Triangle	2,073	7,715	0.58	\$9,475,010	0.58	\$9,485,272	\$10,262	0.1%		x
Southwest MS Rgnl Med Ctr	2,052	5,955	0.61	\$9,099,866	0.61	\$9,110,081	\$10,215	0.1%		x
Baptist Mmrl Hsp - North Ms.	1,893	5,994	0.59	\$8,575,120	0.59	\$8,591,430	\$16,310	0.2%		x
Rush Foundation Hsp	1,887	6,863	0.64	\$9,246,355	0.64	\$9,252,741	\$6,386	0.1%		x

Note:

1. DRG payment excludes supplemental payment.

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

# Simulated Impacts-Hospitals 101-200 Beds

101 to 200 Beds			Year 4		Year 5		Change in Payment		
Hospital	Stays	Cov Days	V.32 Casemix	Total DRG Payment	V.33 Casemix	Total DRG Payment	\$ Change	% Change	Change Category
Merit Hlth Biloxi	2,122	7,754	0.51	\$8,867,896	0.51	\$8,873,204	\$5,308	0.1%	x
Merit Hlth Northwest MS	2,058	7,815	0.55	\$8,974,141	0.55	\$9,001,488	\$27,347	0.3%	x
Magnolia Rgnl Hlth Ctr	1,963	6,190	0.55	\$8,144,475	0.55	\$8,150,569	\$6,094	0.1%	x
Baptist Mmrl Hsp - Union Cnty	1,849	4,217	0.35	\$5,530,030	0.35	\$5,530,030	\$0	0.0%	
Merit Hlth River Oaks	1,775	6,459	0.55	\$8,493,040	0.55	\$8,581,944	\$88,903	1.0%	x
Alliance Hlth Ctr (Laurelwood)	1,609	15,108	0.51	\$9,466,793	0.51	\$9,466,793	\$0	0.0%	
King's Daughters Med Ctr - Brookhaven	1,306	2,981	0.46	\$4,788,464	0.46	\$4,791,548	\$3,085	0.1%	x
Bolivar Med Ctr	1,275	3,764	0.43	\$4,193,381	0.43	\$4,193,381	\$0	0.0%	
Natchez Community Hsp	1,156	3,545	0.43	\$3,863,357	0.43	\$3,865,022	\$1,665	0.0%	x
Merit Hlth Batesville (Tri-Lakes)	1,042	4,309	0.47	\$4,530,197	0.47	\$4,530,197	\$0	0.0%	
Garden Park Hsp	1,010	2,966	0.57	\$4,360,950	0.57	\$4,373,400	\$12,450	0.3%	x
University of MS Med Ctr Grenada	962	2,911	0.42	\$3,183,593	0.42	\$3,187,019	\$3,426	0.1%	x
Merit Hlth Woman's Hsp	779	2,665	0.38	\$2,841,509	0.38	\$2,846,763	\$5,254	0.2%	x
Merit Hlth Natchez (Rgnl)	355	1,515	0.55	\$1,605,218	0.55	\$1,611,386	\$6,169	0.4%	x
Merit Hlth Rankin	191	908	1.08	\$1,432,596	1.08	\$1,447,962	\$15,365	1.1%	x
Mississippi Methodist Hsp & Rehab Ctr	183	2,657	1.36	\$3,123,119	1.36	\$3,123,119	\$0	0.0%	
Baptist Mmrl Hsp - Booneville	104	342	0.65	\$426,166	0.65	\$426,166	\$0	0.0%	

Note:

1. DRG payment excludes supplemental payment.

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

# Simulated Impacts-Hospitals 51-100 Beds

51 to 100 Beds			Year 4		Year 5		Change in Payment		
Hospital	Stays	Cov Days	V.32 Casemix	Total DRG Payment	V.33 Casemix	Total DRG Payment	\$ Change	% Change	Change Category
Oktibbeha Cnty Hsp	1,362	3,736	0.39	\$4,511,348	0.39	\$4,511,348	\$0	0.0%	
Merit Hlth Gilmore Hsp	1,126	3,483	0.45	\$4,241,420	0.45	\$4,273,420	\$32,001	0.8%	x
Merit Hlth Madison	944	2,502	0.42	\$3,213,913	0.42	\$3,222,569	\$8,656	0.3%	x
Clay Cnty Med Corp - N MS West Point	801	2,464	0.41	\$2,808,734	0.41	\$2,815,731	\$6,997	0.2%	x
Highland Community Hsp	734	1,863	0.47	\$2,693,877	0.47	\$2,697,575	\$3,698	0.1%	x
Hancock Med Ctr	684	1,840	0.53	\$2,644,926	0.53	\$2,646,984	\$2,059	0.1%	x
Wayne General Hsp	676	2,399	0.47	\$2,359,094	0.47	\$2,359,094	\$0	0.0%	
Magee General Hsp	611	1,645	0.34	\$1,773,717	0.34	\$1,773,717	\$0	0.0%	
Methodist Hlthcare - Olive Branch	587	1,388	0.37	\$1,791,306	0.37	\$1,791,306	\$0	0.0%	
Neshoba Cnty General Hsp	399	1,049	0.46	\$1,170,661	0.46	\$1,170,661	\$0	0.0%	
North Oak Rgnl Hsp	131	432	0.63	\$518,564	0.63	\$518,564	\$0	0.0%	
Trace Rgnl Hsp	61	175	0.50	\$192,643	0.50	\$192,643	\$0	0.0%	
Anderson Rgnl Med Ctr - South Campus	26	294	1.04	\$336,290	1.04	\$336,290	\$0	0.0%	

Note:

1. DRG payment excludes supplemental payment.

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

# Simulated Impacts-Hospitals 50 Beds & Under

Under 50 Beds Hospital	Stays	Cov Days	Year 4		Year 5		Change in Payment		
			V.32 Casemix	Total DRG Payment	V.33 Casemix	Total DRG Payment	\$ Change	% Change	Change Category
South Sunflower Cnty Hsp	637	1,596	0.40	\$2,039,815	0.40	\$2,039,815	\$0	0.0%	
George Cnty Hsp	488	1,398	0.38	\$1,535,099	0.38	\$1,535,099	\$0	0.0%	
Claiborne Cnty Hsp	284	954	0.54	\$993,514	0.54	\$993,514	\$0	0.0%	
S. E. Lackey Mmrl Hsp	255	795	0.42	\$675,618	0.42	\$675,618	\$0	0.0%	
Pioneer Community Hsp of Newton Cnty	174	394	0.38	\$424,565	0.38	\$424,565	\$0	0.0%	
Webster Hlth Services,	118	400	0.65	\$478,181	0.65	\$478,181	\$0	0.0%	
Baptist Med Ctr - Yazoo	109	336	0.55	\$366,403	0.55	\$366,403	\$0	0.0%	
Marion General Hsp	100	371	0.64	\$407,875	0.64	\$407,875	\$0	0.0%	
Noxubee General Critical Access Hsp	88	287	0.56	\$315,653	0.56	\$315,653	\$0	0.0%	
Field Mmrl Community Hsp	86	269	0.73	\$396,350	0.73	\$396,350	\$0	0.0%	
Alliance Hlthcare System	86	298	0.51	\$280,758	0.51	\$280,758	\$0	0.0%	
Holmes Cnty Hsp & Clinics	81	156	0.65	\$328,562	0.65	\$328,562	\$0	0.0%	
Beacham Mmrl Hsp (South Pike)	74	327	0.59	\$278,810	0.59	\$278,810	\$0	0.0%	
Quitman Cnty Hsp	72	242	0.51	\$240,274	0.51	\$240,274	\$0	0.0%	
Baptist Med Ctr - Attala	68	170	0.58	\$248,529	0.58	\$248,529	\$0	0.0%	
Baptist Med Ctr - Leake	62	182	0.48	\$191,175	0.48	\$191,175	\$0	0.0%	
Hardy Wilson Mmrl Hsp	58	223	0.57	\$210,207	0.57	\$210,207	\$0	0.0%	
Sharkey Issaquena Community Hsp	57	152	0.48	\$176,059	0.48	\$176,059	\$0	0.0%	
Simpson General Hsp	57	182	0.48	\$183,350	0.48	\$183,350	\$0	0.0%	
North Sunflower Cnty Hsp	55	193	0.63	\$222,160	0.63	\$222,160	\$0	0.0%	
Tyler Holmes Mmrl Hsp	55	158	0.53	\$184,736	0.53	\$184,736	\$0	0.0%	
Walthall Cnty General Hsp	52	151	0.55	\$180,994	0.55	\$180,994	\$0	0.0%	
Tishomingo Hlth Services	51	146	0.64	\$205,710	0.64	\$205,710	\$0	0.0%	

Note:

1. DRG payment excludes supplemental payment.

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

# Simulated Impacts-Hospitals 50 Beds & Under

Under 50 Beds	Stays	Cov Days	Year 4		Year 5		Change in Payment		
Hospital			V.32 Casemix	Total DRG Payment	V.33 Casemix	Total DRG Payment	\$ Change	% Change	Change Category
Jefferson Cnty Hsp	50	117	0.48	\$157,569	0.48	\$157,569	\$0	0.0%	
Scott (Morton) Rgnl Med Ctr	44	126	0.58	\$156,767	0.58	\$156,767	\$0	0.0%	
Stone Cnty Hsp	44	102	0.55	\$147,175	0.55	\$147,175	\$0	0.0%	
Tippah Cnty Hsp	35	110	0.60	\$134,184	0.60	\$134,184	\$0	0.0%	
Yalobusha General Hsp	35	101	0.58	\$124,622	0.58	\$124,622	\$0	0.0%	
Covington Cnty Hsp	34	92	0.56	\$112,824	0.56	\$112,824	\$0	0.0%	
Calhoun Hlth Services	27	70	0.54	\$90,044	0.54	\$90,044	\$0	0.0%	
Laird Hsp,	27	81	0.43	\$89,148	0.43	\$89,148	\$0	0.0%	
H. C. Watkins Mmrl Hsp	26	90	0.56	\$92,574	0.56	\$92,574	\$0	0.0%	
Whitfield Med Surgical Hsp	24	192	0.83	\$126,528	0.83	\$126,528	\$0	0.0%	
Jefferson Davis Comm Hsp (Prentiss)	22	62	0.57	\$79,150	0.57	\$79,150	\$0	0.0%	
Lawrence Cnty Hsp	21	51	0.69	\$91,829	0.69	\$91,829	\$0	0.0%	
Pioneer Community Hsp Aberdeen	16	50	0.67	\$67,379	0.67	\$67,379	\$0	0.0%	
Tallahatchie General Hsp	15	37	0.62	\$56,093	0.62	\$56,093	\$0	0.0%	
Winston Cnty Community Hsp	12	38	0.59	\$46,836	0.59	\$46,836	\$0	0.0%	
Perry Cnty General Hsp	11	33	0.48	\$32,624	0.48	\$32,624	\$0	0.0%	
Choctaw Rgnl Med Ctr	10	36	0.58	\$37,426	0.58	\$37,426	\$0	0.0%	
Franklin Cnty Mmrl Hsp	9	44	0.54	\$30,950	0.54	\$30,950	\$0	0.0%	
John C. Stennis Mmrl Hsp	9	23	0.52	\$32,080	0.52	\$32,080	\$0	0.0%	
Pontotoc Hlth Services,	8	19	0.58	\$29,849	0.58	\$29,849	\$0	0.0%	
Greene Cnty Hsp	4	13	0.59	\$14,338	0.59	\$14,338	\$0	0.0%	
Pearl River Cnty Hsp	1	3	0.26	\$1,667	0.26	\$1,667	\$0	0.0%	

Note:

1. DRG payment excludes supplemental payment.

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

# Simulated Impacts-Freestanding MH, Out-of-State

Freestanding MH			Year 4		Year 5		Change in Payment		
Hospital	Stays	Cov Days	V.32 Casemix	Total DRG Payment	V.33 Casemix	Total DRG Payment	\$ Change	% Change	Change Category
Brentwood Behavioral Hlthcare of MS	1,818	18,423	0.48	\$11,271,048	0.48	\$11,271,048	\$0	0.0%	
Parkwood Behavioral Hlthcare	857	8,051	0.50	\$5,498,734	0.50	\$5,498,734	\$0	0.0%	
Diamond Grove Ctr for Children & Adolescents	710	7,248	0.55	\$4,991,679	0.55	\$4,991,679	\$0	0.0%	
Oak Circle Ctr / MS State Hsp	214	7,773	0.50	\$3,175,475	0.50	\$3,177,566	\$2,091	0.1%	x
Out-of-State			Year 4		Year 5		Change in Payment		
Hospital	Stays	Cov Days	V.32 Casemix	Total DRG Payment	V.33 Casemix	Total DRG Payment	\$ Change	% Change	Change Category
Methodist Hsp of Memphis	2,005	13,198	1.31	\$20,162,321	1.31	\$20,323,382	\$161,061	0.8%	x
USA Children's & Women's Hsp	689	6,372	1.20	\$6,533,787	1.20	\$6,546,334	\$12,547	0.2%	x
Baptist Mmrl Hsp	350	3,636	1.92	\$5,058,969	1.92	\$5,062,929	\$3,960	0.1%	x
Saint Francis Hsp	305	3,263	0.65	\$2,078,335	0.65	\$2,085,303	\$6,968	0.3%	x
Delta Med Ctr	241	2,068	0.55	\$1,289,981	0.55	\$1,289,981	\$0	0.0%	
Ochsner Foundation Hsp	232	2,053	1.79	\$2,997,049	1.79	\$3,038,005	\$40,956	1.4%	x
Rgnl Med Ctr Memphis	229	2,661	2.00	\$3,864,880	2.00	\$3,910,559	\$45,678	1.2%	x
Lakeside Behavioral Hlth System	220	2,937	0.50	\$1,457,656	0.50	\$1,457,656	\$0	0.0%	
Crossroads Rgnl Hsp D/B/A Longleaf Hsp	182	1,873	0.42	\$985,534	0.42	\$985,534	\$0	0.0%	
Northshore Rgnl Med Ctr	176	603	0.88	\$985,136	0.88	\$988,249	\$3,112	0.3%	x
Slidell Mmrl Hsp	175	647	0.67	\$901,574	0.67	\$901,574	\$0	0.0%	
St. Jude Children's Research Hsp	157	734	1.16	\$1,206,515	1.16	\$1,206,515	\$0	0.0%	
Children's Hsp	101	545	1.19	\$912,548	1.19	\$929,941	\$17,393	1.9%	x
University Hlthcare System DBA Tulane Univ Hsp	91	534	1.39	\$1,231,539	1.39	\$1,261,737	\$30,198	2.5%	x
Liberty Hlthcare Systems	91	851	0.43	\$503,330	0.43	\$503,330	\$0	0.0%	

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

Notes:

1. DRG payment excludes supplemental payment.

# Looking Ahead

- Mississippi DRG Year 6 begins July 1, 2017
- V.34 mapper install on October 1, 2016
- V.34 Grouper and HAC utility install on July 1, 2017
- Annual DOM review of DRG payment and policy variables
- Anticipate changes to APR-DRG algorithm by 3M to include DRG relative weights



# For Further Information



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For more information on Medicaid payment methods, please go to [www.xerox.com/Medicaid](http://www.xerox.com/Medicaid)

