

MS Medicaid DRG Update for July 1, 2017

June 12, 2017

June 14, 2017

June 16, 2017

Payment Method Development
Government Healthcare Solutions
MSI17025

Topics

1. Overview
2. Year 6 updates
3. Analytical dataset
 - Overview and utilization of inpatient care
4. Simulation overview and impacts
5. Looking to the future

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Overview

History of the DRG Project

Timeline:

- 2005: Assessment of options
- 2005-2006: Consultation and policy design
- 2008: Evaluation published in Health Affairs
- 2009: Unanimously recommended by Legislative PEER Committee
- 2012: Legislature directs DOM to implement DRG payment

Year 1: October 2012-September 2013, APR-DRG V.29

Year 2: October 2013-June 2014 (nine months), APR-DRG V.30

Year 3: July 2014-June 2015, APR-DRG V.31

Year 4: July 2015-June 2016, APR-DRG V.32. ICD-10 implemented Oct. 1, 2015

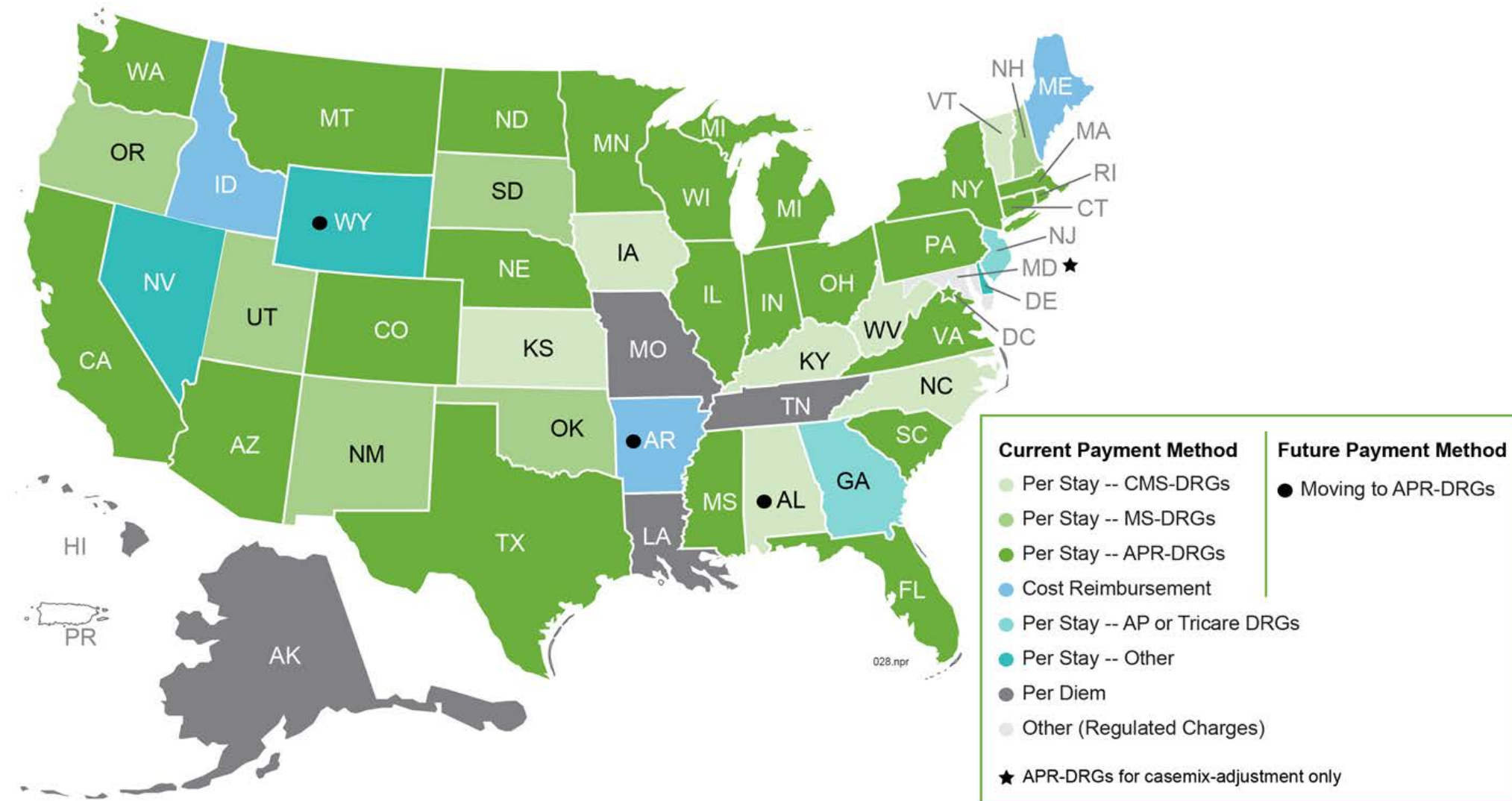
Year 5: July 2016-June 2017, APR-DRG V.33

Year 6: July 2017-June 2018, APR-DRG V.34

History (Cont.)

- DRG payment is used for all Mississippi Medicaid inpatient acute care stays
 - Presently, Medicaid covers hospital inpatient services for Medicaid beneficiaries through fee-for-service and managed care
 - December 1, 2015 managed care was expanded to include coverage of hospital inpatient services for beneficiaries enrolled in MississippiCAN, the managed care program
 - DRG payment applies to all inpatient care in all acute care hospitals, including general hospitals, Long-term acute care, freestanding psychiatric hospitals, freestanding rehabilitation hospitals and critical access hospitals
- DRGs were implemented on October 1, 2012. Benefits of a DRG payment method include but are not limited to the following:
 - Value purchasing
 - Rewards efficiency
 - Encourages access
 - Increases transparency
 - Quality
 - Reduces administrative burden

How States Pay for Inpatient Care



- A majority of states, and the District of Columbia, use or will use APR-DRGs for FFS Medicaid
- All the largest states have implemented APR-DRGs
- APR-DRGs account for over half of the FFS inpatient Medicaid dollars

Key Resources

- Division of Medicaid's website at:
<https://medicaid.ms.gov/providers/finance>
 - FAQ
 - Quick tips
 - DRG calculator
 - Grouper settings document
 - Training presentation

Key Resources

Finance

Mississippi Division of Medicaid > Providers > Finance

- Home
- > About
- > Medicaid Coverage
- > Programs
- ▼ Providers
 - Administrative Code
 - Billing Handbook
 - Fee Schedules and Rates
 - Finance
 - Pharmacy
 - Provider Resources
 - > Resources
 - > Contact

Resources

- Long term care reimbursement method for Mississippi Medicaid
- Payment Error Rate Measurement (PERM)
- Recovery Auditor Contractors (RAC)
- Mississippi Medicaid State Level Registry for Provider Incentive Payments

Inpatient Hospital Payment Method for Mississippi Medicaid

Hospital Inpatient APR-DRG Alert: July 1, 2017 updates

The Mississippi Division of Medicaid (DOM) is proposing the following changes to the hospital inpatient APR-DRG payment methodology effective for the payment of hospital inpatient claims for discharges on and after July 1, 2017:

1. DOM will adopt V.34 of the 3M Health Information System APR-DRG Grouper.
2. DOM will adopt V.34 of the Health Care Acquired Conditions (HCAC) utility.
3. Low-side Outlier Payment Reduction – The APR DRG Base Payment may be reduced for low cost non-psych hospital inpatient stays when the DRG Base Payment exceeds the estimated cost of a stay.
4. Charge cap – The APR-DRG allowed amount, (the sum of the DRG Final Base Payment after low-side outlier payment reduction, plus DRG Cost Outlier payment, plus DRG Day Outlier payment), will be limited to the lower of the DRG Payment Amount or the total billed charges on the claim.
5. The following APR-DRG parameters will be updated:
 1. Neonate policy adjustor – will be changed from 1.45 to 1.40
 2. Low-side Outlier Threshold – \$50,000
 3. Low-side Outlier Marginal Cost Percent – 50%

Hospitals are not required to purchase 3M software for payment of claims; however, all hospitals that have purchased the 3M software should ensure their internal systems are updated to reflect all changes that occur for hospital discharges beginning on and after July 1, 2017.

Training will be scheduled with dates to be provided. Hospitals will be notified via email and the DOM website at medicaid.ms.gov.

Year 6 Updates

The Headlines, DRG Rate Year 6

- Effective July 1, 2017 the standard yearly updates will include:
 - APR-DRG grouper version change from version 33 to 34
 - Hospital Acquired Conditions (HAC) version change form version 33 to 34
 - APR-DRG relative weight version change from version 33 HSRV to 34 HSRV
 - CCRs
 - Cost report year end 2015 for in-state hospitals
 - 08/22/16 Final Rule for out-of-state hospitals
 - CCRs will be updated on 10/01/2017 utilizing 2016 cost reports and the FY-18 Final Rule

The Headlines, DRG Rate Year 6 (Cont.)

- Effective July 1, 2017 policy updates will include:
 - Low-side outlier payment policy implementation
 - Charge-cap payment policy implementation
 - Neonate policy adjustor changes from 1.45 to 1.40
 - Policy adjustors will be applied based on the DRG and Medicaid Care Category (MCC) assignments
 - The estimated annual aggregate expenditures of the Division of Medicaid relative to APR-DRG years 1,2,3,4, and 5; calculated on a Federal Fiscal Year basis, are expected to be a decrease of \$802,000 in state funds and \$2.4 million in federal funds for FY-17 and \$3.1 million in state funds and \$9.6 million in federal funds for FY-18
 - The reduction in expenditures could change depending on increases or decreases in utilization

Update to V.34 APR-DRG

- V.34 APR-DRG:
 - 3 deleted DRGs; 7 new DRGs
 - Changes to the description of 20 DRGs
 - 318 Base DRGs each with 4 levels of severity
 - 1,272 APR-DRGs
 - Two Error DRGs (955 and 956)
 - 1,274 APR-DRG in aggregate
 - Clinical logic changes
 - Adjustments to the HSRV weights
 - Measured casemix changes using Year 4 stays (1/1/2016 through 6/30/2016), comparing V.32 and V.34
 - Overall measured casemix decreased from 0.77 to 0.76
 - Changes in casemix by MCC were varied
- V.34 HAC upgrade will include up to five HACs identified and used, minor impact

V.34 DRG Code Updates	
Deleted	Replacements
173 Other Vascular Procedures	181 Lower extremity vascular procedures
	182 Other peripheral vascular procedures
460 Renal Failure	469 Acute kidney injury
	470 Chronic kidney disease
693 Chemotherapy	695 Chemotherapy for acute leukemia
	696 Other chemotherapy
New	
	322 Shoulder & elbow joint replacement

Note:
 1. Three DRG codes are deleted and each replaced with two new DRG codes. There is one new stand-alone DRG.

Low-Side Outlier

- A Low-side outlier payment reduction policy will be implemented for low cost non-psychiatric cases where the gain to the hospital (APR-DRG base payment minus estimated hospital cost) exceeds the low-side outlier threshold of (\$50,000)
 - In such situations, the APR-DRG base payment will be reduced by the amount the gain exceeds the low-side outlier threshold, times the low-side outlier marginal cost percentage of 50%
- Medical education payments will be excluded from the calculation of the Low-side Outlier payment reduction

Charges	CCR	Cost	DRG Base Price	DRG Rel. Wt	DRG Preliminary PMT	Gross Gain/Loss Amount	Gain Thresh old	Marginal Cost %	Does the Gain Exceed Threshold	Net Gain/ Reduction Amt	Final DRG Allowed
\$400,000	0.40	\$160,000	\$6,415	46.7654	\$300,000	\$140,000	\$50,000	0.50	Y	\$45,000.00	\$255,000.00

(DRG Base Pmt. – Cost = Gross Gain) $\$300,000 - 160,000 = \$140,000$

(Gross Gain – Outlier Threshold = Net Gain) $\$140,000 - \$50,000 = \$90,000$

(DRG Base Payment – (Net Gain * Marginal Cost Percentage)) = Final DRG Allowed

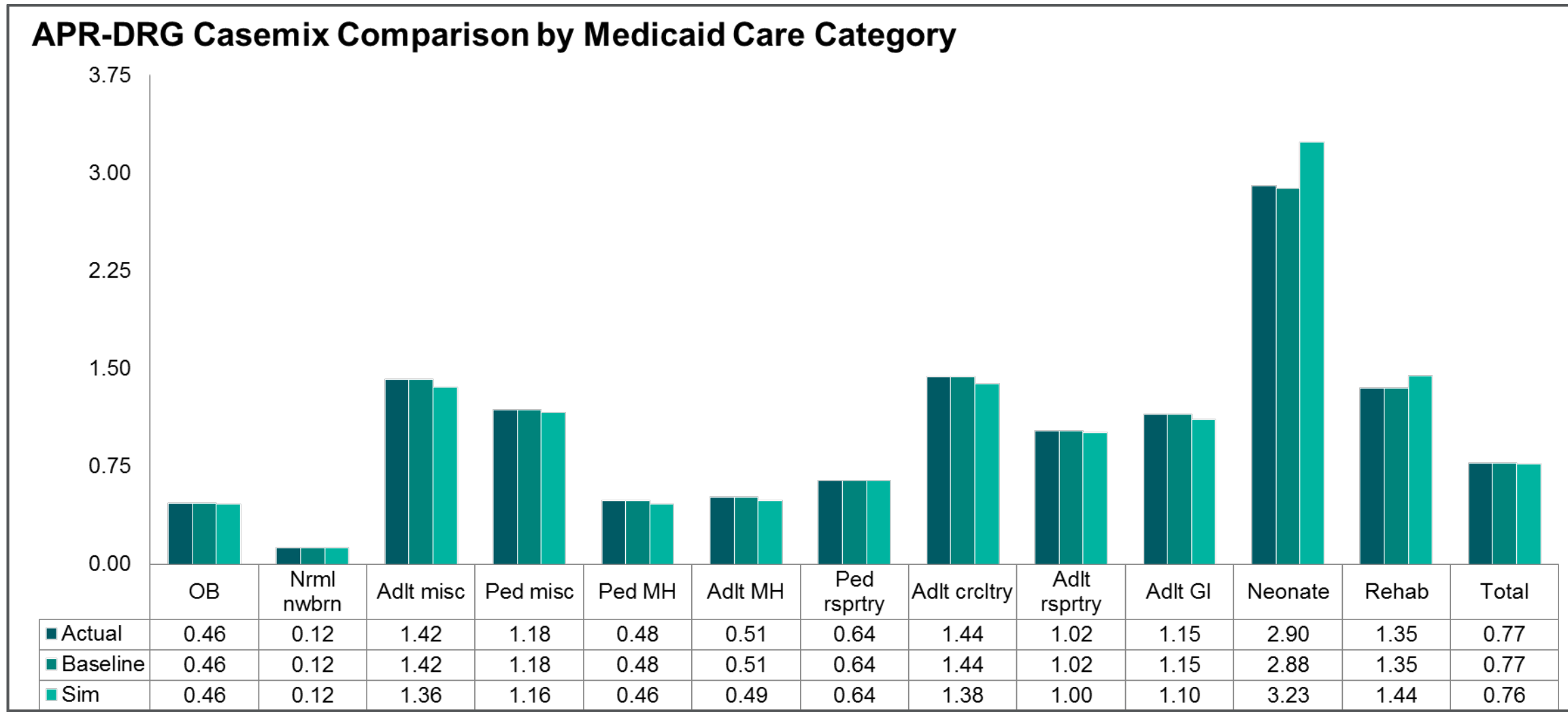
$(\$300,000 - (\$90,000 * .5)) = (\$300,000 - \$45,000) = \$255,000$

Charge Cap

- If the allowed amount exceeds charges, payment is reduced to charges
 - Charges = \$50,000
 - DRG Allowed = \$73,000
 - DRG final Allowed = \$50,000

Charges	CCR	Cost	DRG Base Price	DRG Rel. Wt	DRG Preliminary PMT	Gross Gain/ Loss Amount	Gain Threshold	Marginal Cost %	Net Gain/ Reduction amt	Final DRG Allowed Before Chg Cap	Final DRG Allowed with Charge Cap
\$50,000	0.40	\$21,000	\$6,415	11.6913	\$75,000	\$54,000	\$50,000	0.50	\$2,000.00	\$73,000.00	\$50,000

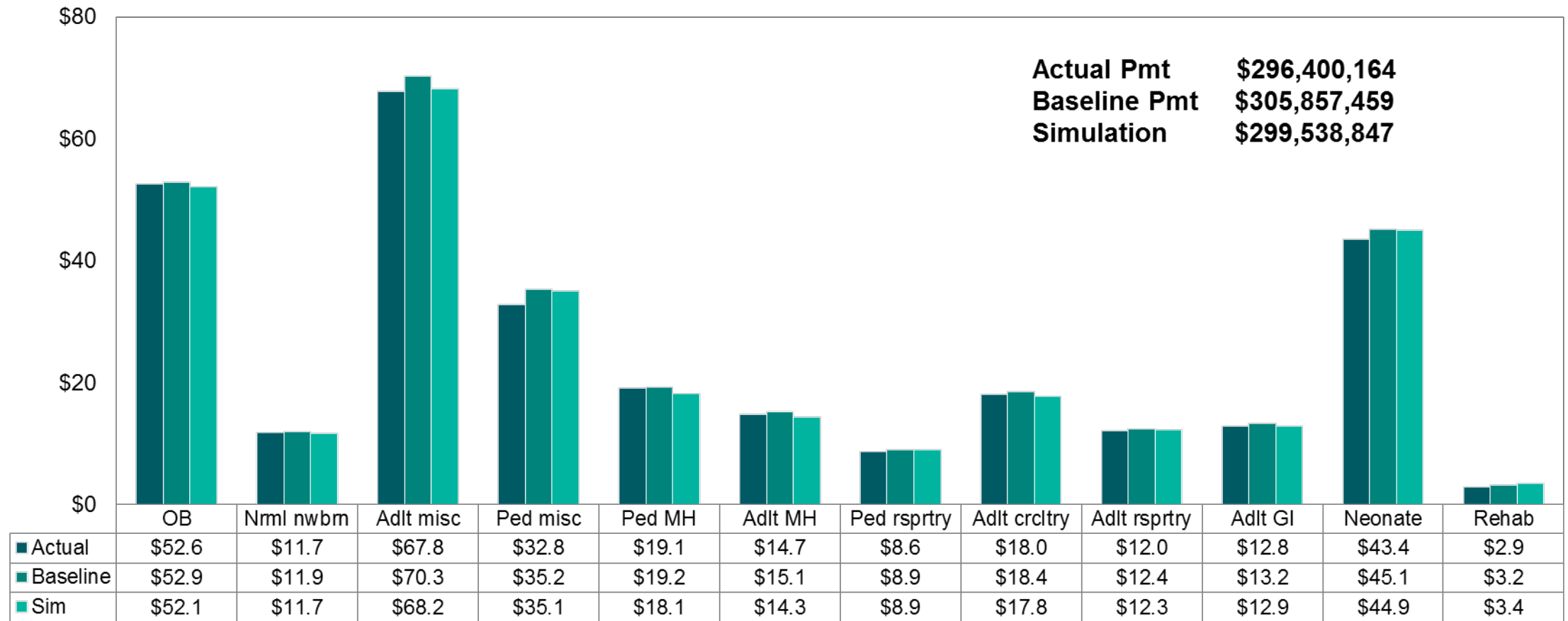
Neonate Policy Adjustor at 1.40



- V.34 biggest change in clinical logic in recent years
- Note increase in neonate casemix

Neonate Policy Adjustor at 1.40

DRG Payments by Medicaid Care Category



- Baseline Neonate payment \$45.1 million
- Simulated Neonate payment \$44.9 million
- Payment will depend upon actual utilization and casemix
- Figures exclude supplemental payments

Data represents a six month period, Jan 1 – June 30 2016.

Policy Adjustors

- Effective July 1, 2017, all policy adjustors will be applied based on the DRG and Medicaid Care Category (MCC) assignments
- See slide 16 for payments by Medicaid Care Category impacts

APR-DRG Range	Medicaid Care Category	Severity of Illness	Policy Adjustor	Age Range
580-625 630-639 863	Neonate	1-4	1.40	Less than 365 days
626 and 640	Normal Newborn	1-4	1.50	Less than 365 days
540-566	Obstetric	1-4	1.50	No restriction
001-003, 006,440	Pediatric Transplant	1-4	1.50	Less than 21 years of age
001-003, 006,440	Adult Transplant	1-4	1.50	Greater than or equal to 21 years of age
740 - 776	Pediatric Mental Health	1-4	2.00	Less than 21 years of age
740 - 776	Adult Mental Health	1-4	1.60	Greater than or equal to 21 years of age
860	Rehab	1-4	2.00	No restriction

MS Policy History

Policy Decisions	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Item						
Calendar period	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	Jul. 1, 2017 to Jun. 30, 2018
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 the period Oct. 1 2010 - March. 31, 2011, not including medical education.	Budget neutral (on a volume-adjusted basis) with the period Oct. 1 2012 - Sep. 30, 2013, 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.	The baseline was set using a six month period from January 1, 2016 to June 30, 2016, not including medical education
Documentation and coding adj.	3.5%	3.5%	2.0%	0%	0%	0%
DRG base price	\$6,223	\$6,022	\$6,415	\$6,415	\$6,415	\$6,415
APR-DRG version	V.29	V.30	V.31	V.32	V.33	V.33 to V.34
APR-DRG relative weights	V.29 traditional weights	V.30 HSRV weights	V.31 HSRV weights	V.32 HSRV weights	V.33 HSRV weights	V.34 HSRV weights
Average casemix	0.73	0.70	0.72	0.72	0.72	0.76
Policy adjustor—pediatric MH	2.08	2.08	2.00	2.00	2.00	2.00
Policy adjustor—adult MH	1.75	1.75	1.75	1.60	1.60	1.60
Policy adjustor—obstetric	1.40	1.40	1.40	1.50	1.50	1.50
Policy adjustor—normal newborn	1.40	1.40	1.40	1.50	1.50	1.50
Policy adjustor—neonate	1.40	1.40	1.40	1.45	1.45	1.40
Policy adjustor—rehab	2.11	2.11	2.00	2.00	2.00	2.00
Policy adjustor—transplant	1.50	1.50	1.50	1.50	1.50	1.50
Policy adjustor—other	None	None	None	None	None	None
Cost outlier pool	Target 5%	Target 5%	Target 5%	Target 5%	Target 5%	6.7%
Cost outlier threshold	\$30,000	\$32,800	\$35,175	\$50,000	\$50,000	\$50,000

MS Policy History (Cont.)

Policy Decisions	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Item	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Low cost, outlier reduction threshold	N/A	N/A	N/A	N/A	N/A	\$50,000
Marginal cost percentage	60%	60%	60%	50%	50%	50%
Low cost, marginal cost percentage	N/A	N/A	N/A	N/A	N/A	50%
Day outlier threshold	19 days	19 days	19 days	19 days	19 days	19 days
Day outlier per diem payment	\$450	\$450	\$450	\$450	\$450	\$450
Interim claim per diem amount	\$450	\$850	\$850	\$850	\$850	\$850
Cost-to-charge ratios	Latest available	Latest available	Actual for LDOS + 1 year	Actual for LDOS + 1 year	Actual for LDOS + 2 years	Actual for LDOS + 2 years
Charge levels used for simulation	Actual	Adjusted for expected charge inflation of 9.37%	Adjusted for expected charge inflation of 8.62%	Adjusted for expected charge inflation of 8.18%	Adjusted for expected charge inflation of 5.05%	Adjusted for expected charge inflation of 5.33% annually
Transfer adj discharge values	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	02, 05, 07, 63, 65, 66, 82, 85, 91, 93, 94	02, 05, 07, 63, 65, 66, 82, 85, 91, 93, 94
Pediatric age cutoff	Under age 21	Under age 21	Under age 21	Under age 21	Under age 21	Under age 21
Pricing logic	No change	No change	No change	No change	No change	Charge Cap/Low side outlier
Allowed chg source logic	No change	No change	No change	No change	No change	Low side outlier
Medicaid Care Category definitions	No change	No change	No change	No change	No change	Redefined
Medical education add-on payments		Updated list, reflecting market basket increase	Updated list, reflecting market basket increase	Updated list, reflecting market basket increase	Updated list, reflecting market basket increase	Updated list, reflecting market basket increase
Per diem treatment authorization threshold	19 days	19 days	19 days	19 days	19 days	19 days
Other aspects of payment method	No change	No change	No change	Complication of care setting changed to "exclude only non-POA CoC codes".	No change	No change

Analytical Dataset

- Overview and Utilization of Inpatient Care

Analytical Dataset

Year 4 SFY 2016 Analytical Dataset

- Analytical dataset consists of a six-month period; 1/1/2016 – 6/30/2016 paid through 1/23/2017
- DRG version 32 ICD-10-CM/PCS codes only
- Total stays 48,260; total allowed before medical education add-on and TPL deductions is \$296,400,164

Year 5 SFY 2017 Baseline Dataset

- Year 4 utilization paired with year 5 policy
- DRG version 33, ICD-10-CM/PCS only
- Total stays 48,260; total allowed before medical education add-on and TPL deductions is \$305,857,459 (3% increase)

Analytical Dataset (Con't)

Year 6 SFY 2018 Simulation Dataset

- DRG version 34, ICD-10-CM/PCS
- Year 4 utilization with year 6 policy;
- Low-side outlier adjustment; lower-of; neonate policy adjustor reduced to 1.40
- Total stays 48,260; total allowed before medical education add-on and TPL deductions is \$299,538,847 (2% decrease)

Composition of the Analytical Dataset

- DRG version 32
- Year 4 stays with a last date of service between 1/1/2016 and 6/30/2016 paid through 1/23/2017
- 48,260 stays
 - Fee-for-service total 9,634
 - Managed care total 38,626
- ICD-10-CM/PCS codes only
- Multiply by 2.137 to annualize
- DRG payment refers to the allowed amount before TPL, cost sharing and supplemental payments
- Payment will depend upon utilization and casemix
- Medical education payments are excluded

FFS vs CCO

Funding Stream	Stays	Days	Charges	Allowed	V. 32 Casemix	ALOS
FFS	9,634	70,145	\$519,862,174	\$95,044,956	1.21	7.28
United	18,552	78,925	\$437,963,400	\$94,159,349	0.65	4.25
Magnolia	20,074	86,322	\$471,635,739	\$107,195,859	0.68	4.30
Totals	48,260	235,392	\$1,429,461,313	\$296,400,164	0.77	4.88
CCO Subtotal	38,626	165,247	\$909,599,139	\$201,355,208	0.66	4.28

Funding Stream	As Percentage of Dataset Total				Relative to Dataset Total	
	Stays	Days	Charges	Allowed	Casemix	ALOS
FFS	20%	30%	36%	32%	1.56	1.49
United	38%	34%	31%	32%	0.84	0.87
Magnolia	42%	37%	33%	36%	0.88	0.88
Totals	100%	100%	100%	100%	1.00	1.00
CCO Subtotal	80%	70%	64%	68%	0.86	0.88

Notes:

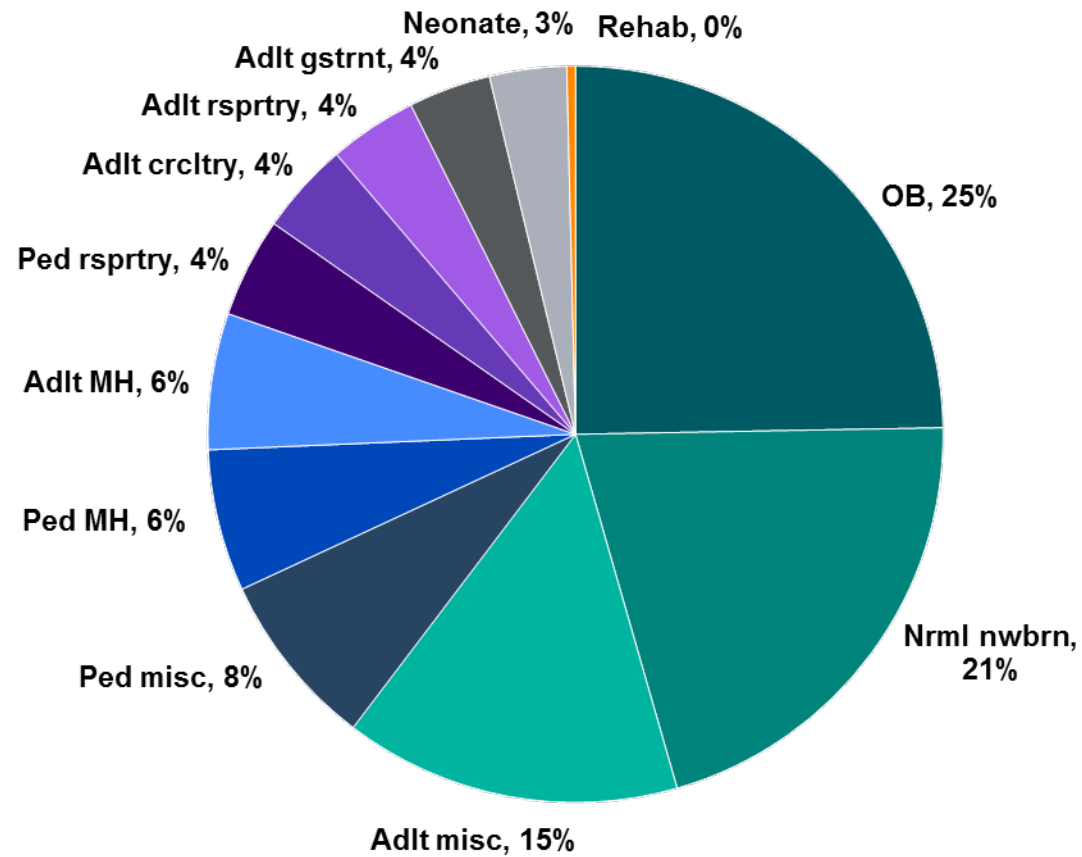
1. Payment excludes hundreds of millions in supplementary payments to hospitals.

- FFS represented 20% of stays; 30% of days and 32% of allowed
- FFS patients were much sicker (casemix 1.21), on average,
- CCO patients (casemix .66)

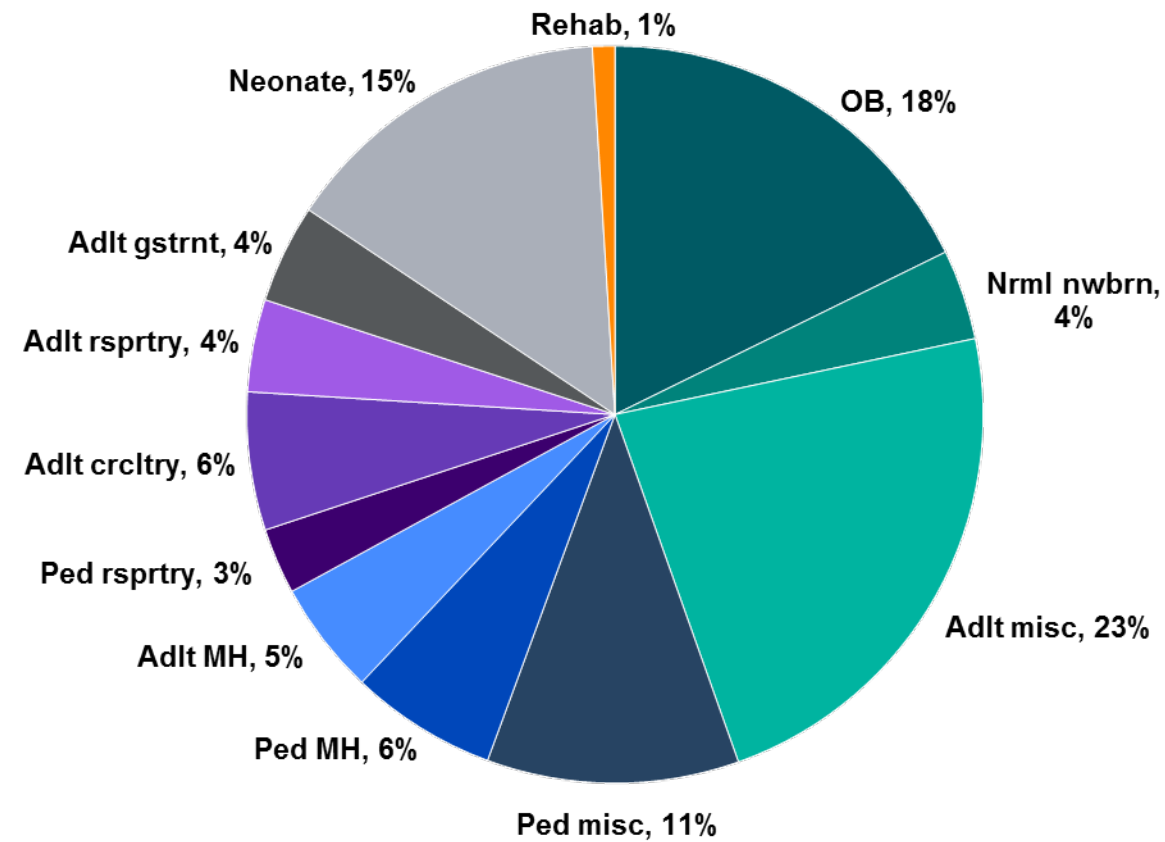
Data represents a six month period, Jan 1 – June 30 2016.

FY 2016 Utilization by MCC

Mississippi Medicaid Inpatient Stays Jan to June 2016

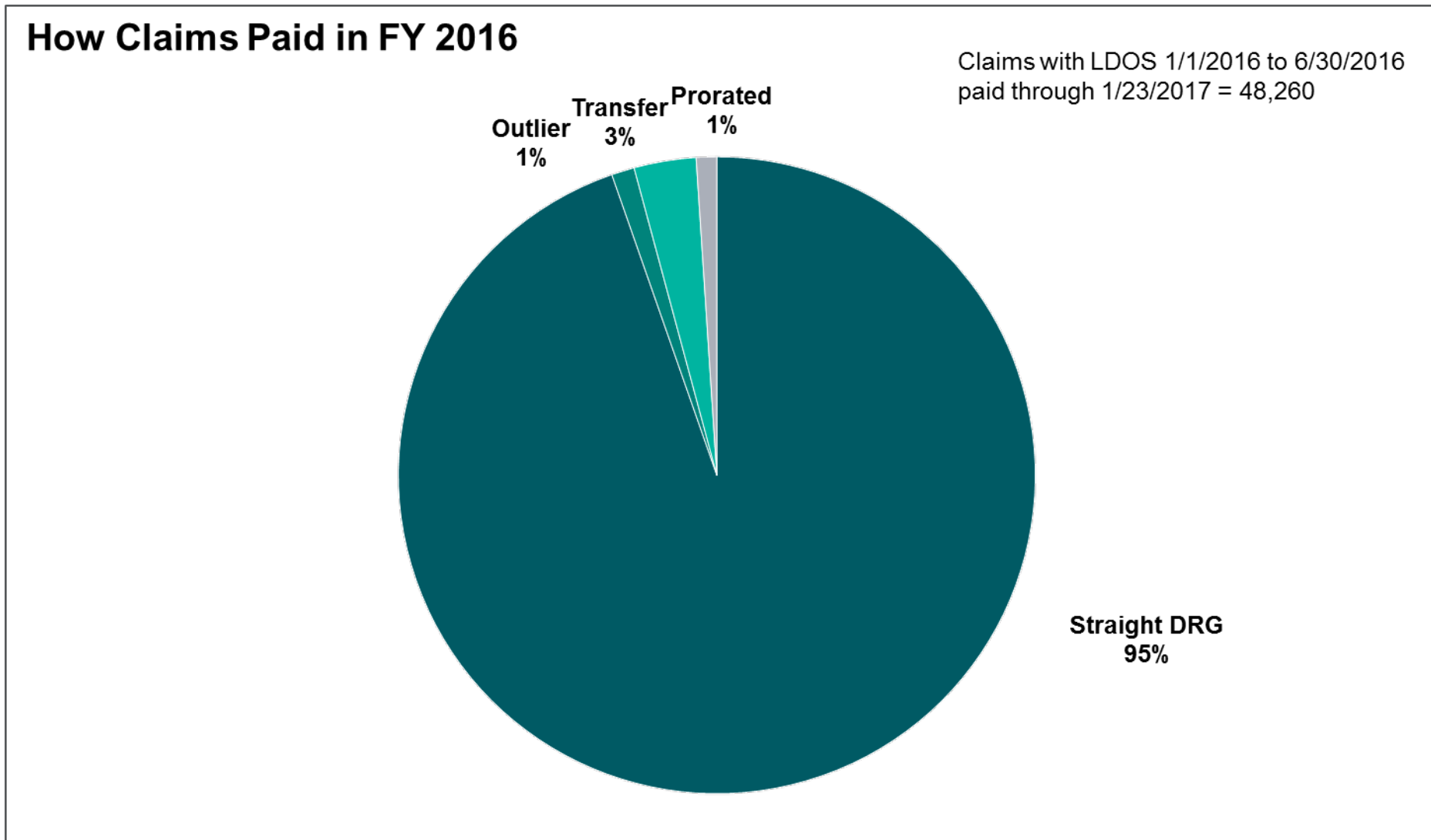


Mississippi Medicaid Inpatient Payment Jan to June 2016



- Obstetrics, newborns, and pediatrics accounted for 64% of stays and 42% of total payments
- Normal newborns represented 21% of stays and 4% of payments
- Neonates represented 3% of stays and 15% of payments

How Claims Paid in FY 2016



Simulation Overview and Impacts

Simulation Overview

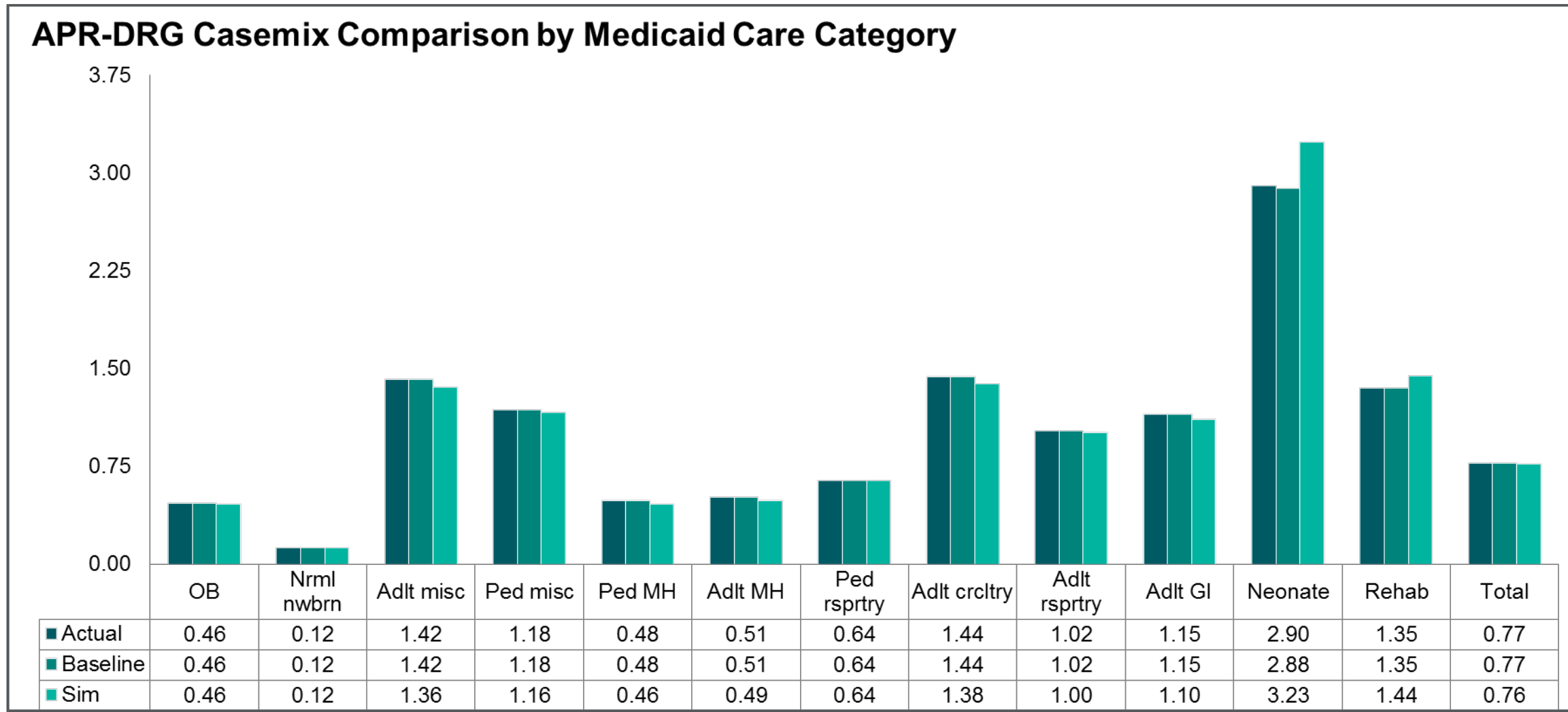
- Analysis and simulation done using 48,260 stays from the period January-June 2016
 - Multiply by 2.137 to annualize
 - Simulation is not a forecast, since it does not reflect forecasts of eligibility and utilization
- DRG payment method changes = charge cap, low-side cost outlier, decrease neonate policy adjustor to 1.40
- Medical education payments are excluded

DRG Update: Simulation Results			
	Actual	Baseline	Simulation
	Year 4	Year 5	Year 6
Stays	48,260	48,260	48,260
Base price	\$6,415	\$6,415	\$6,415
Payment	\$296.4M	\$305.9M	\$299.5M
Annualized	\$633.4M	\$653.6M	\$640.1M
Change		3.2%	-2.1%
Outlier %	5.6%	6.3%	6.7%

Notes:

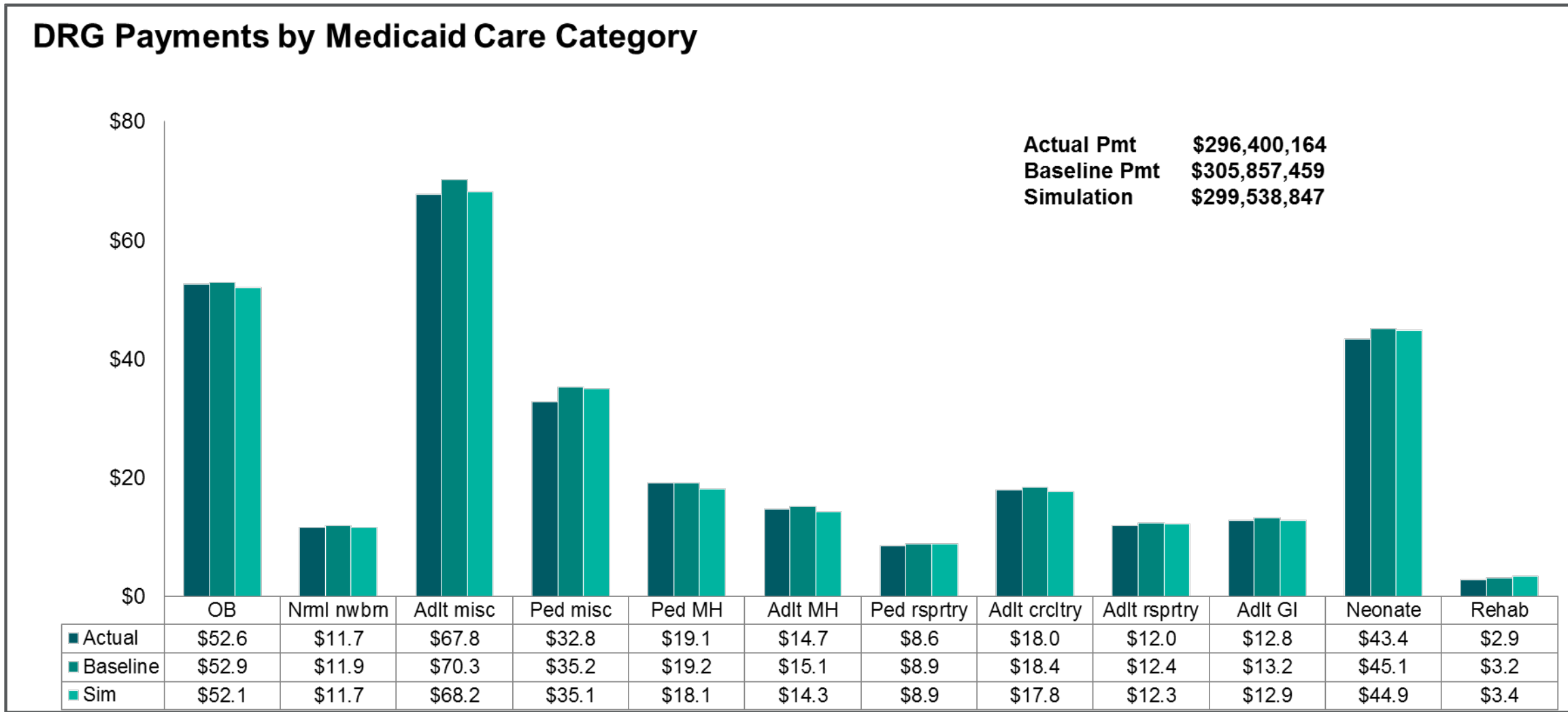
1. Payment excludes hundreds of millions in supplemental payments to hospitals.
2. Analysis and simulation are based on FFS and CCO paid stays for the period January-June 2016.

Casemix by MCC



- V.34 biggest change in clinical logic since V.20; nevertheless, not large
- Note increase in neonate weights

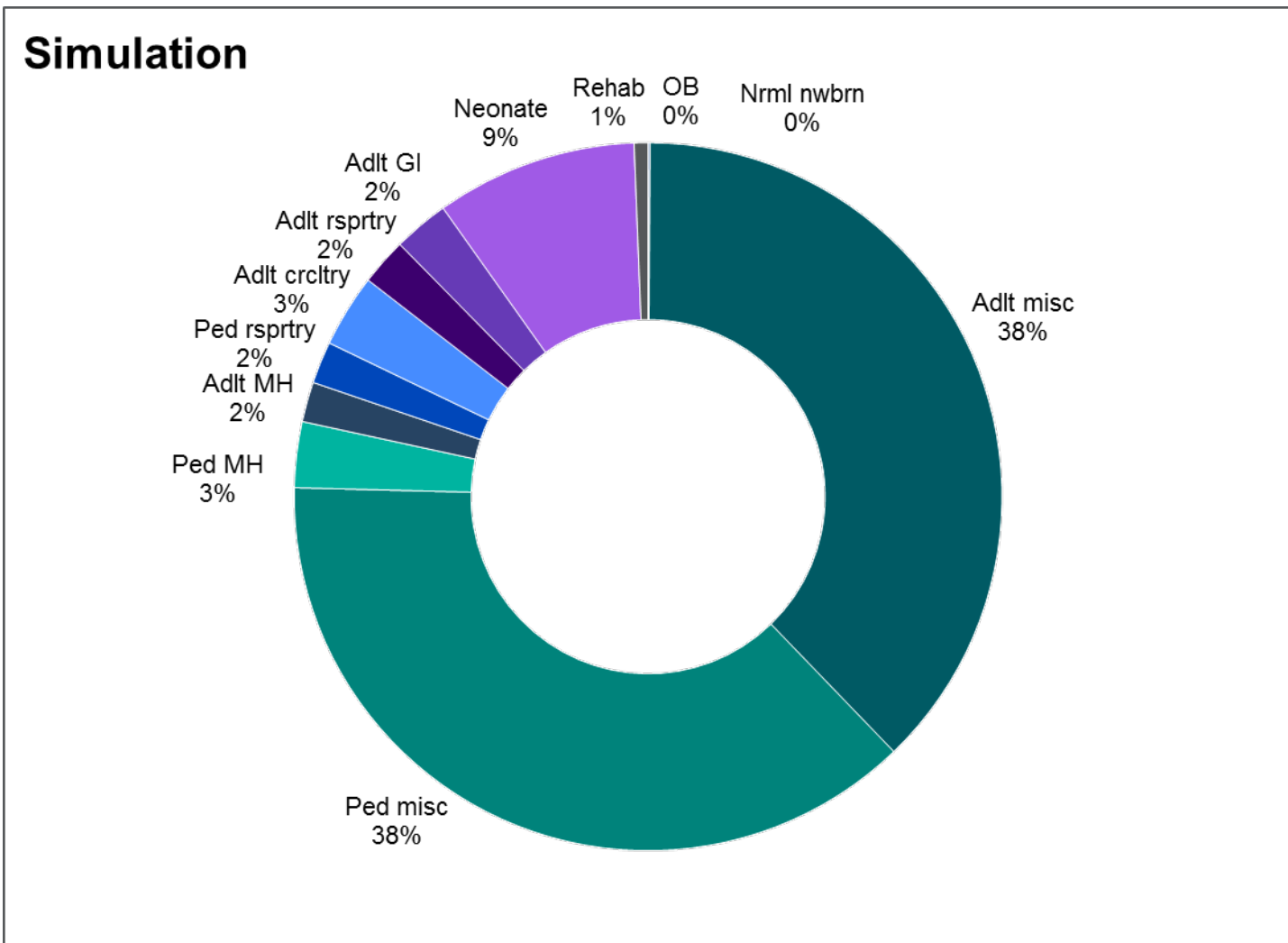
Total Payments by MCC



- DRG payment refers to the allowed amount before TPL, cost sharing and supplemental payments

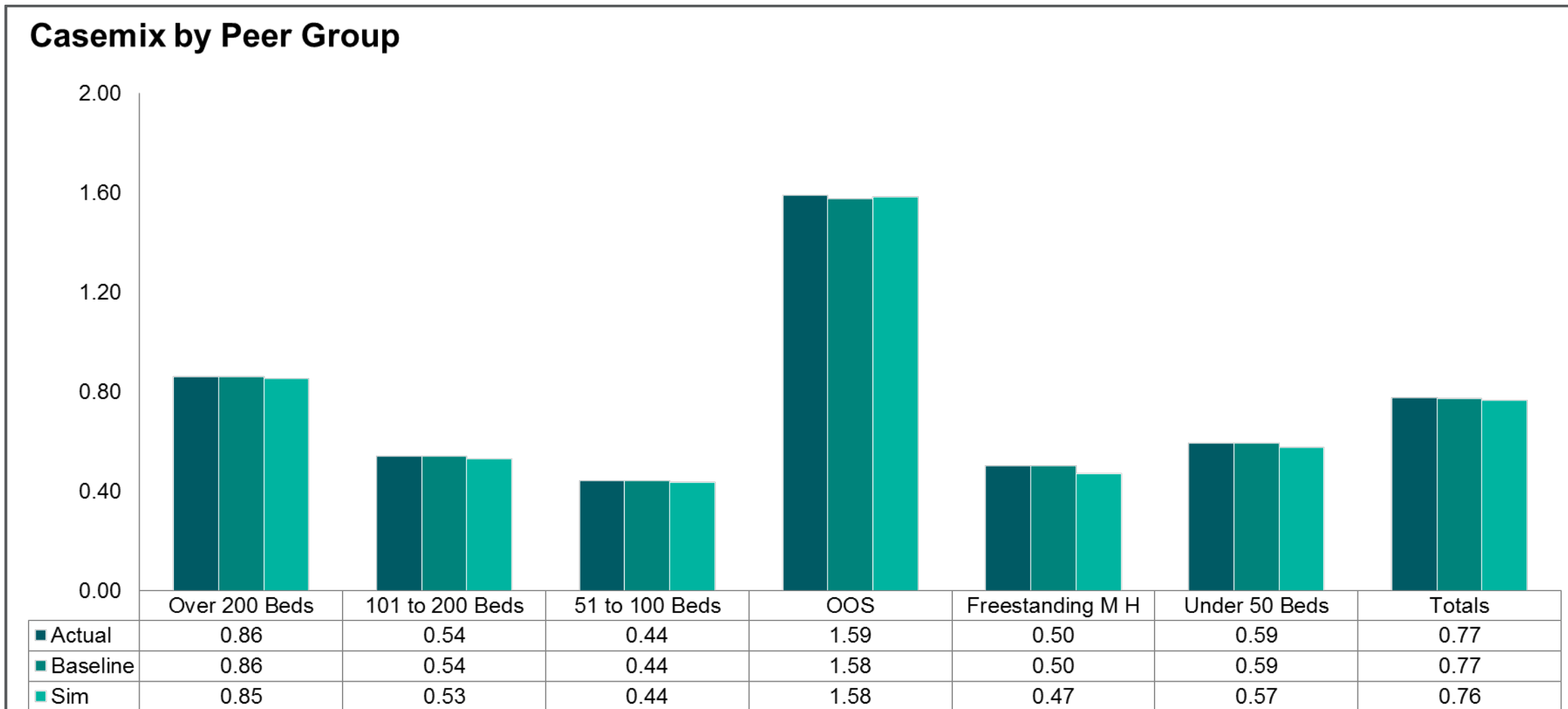
Data represents a six month period, Jan 1 – June 30 2016.

Outlier Payments by MCC

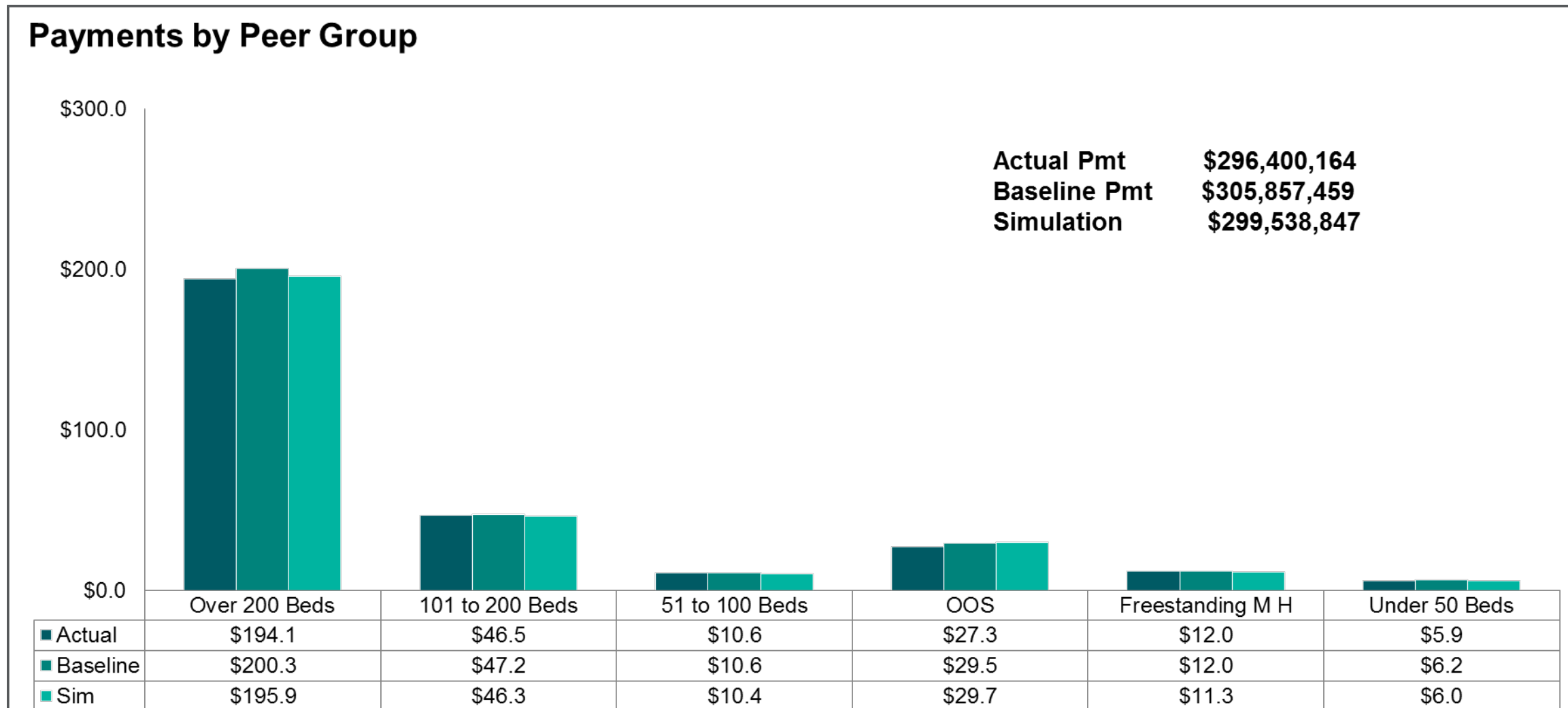


- Total outlier payment = \$20.1 million
- Mostly to miscellaneous adult and miscellaneous pediatric categories

Peer Group Impacts, Casemix

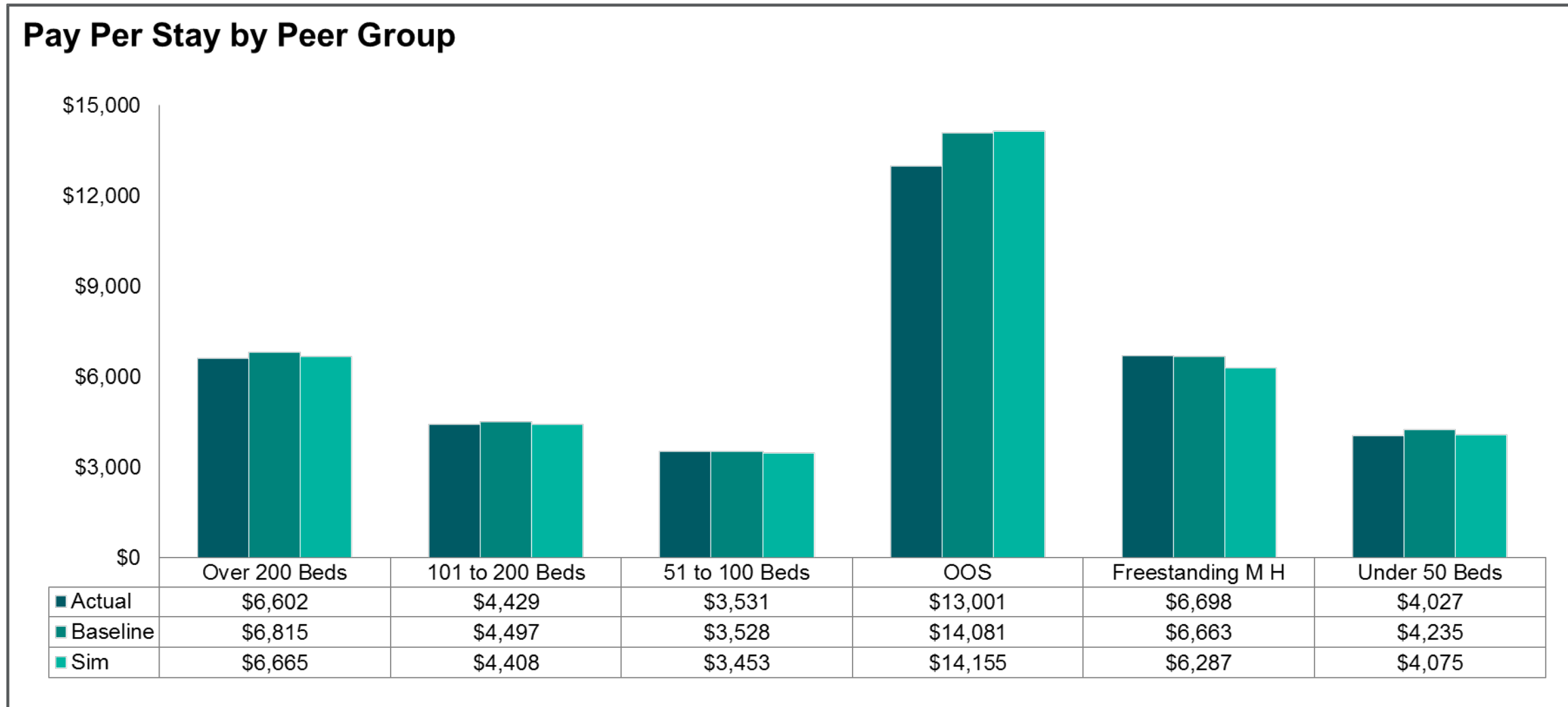


Peer Group Impact, Payments

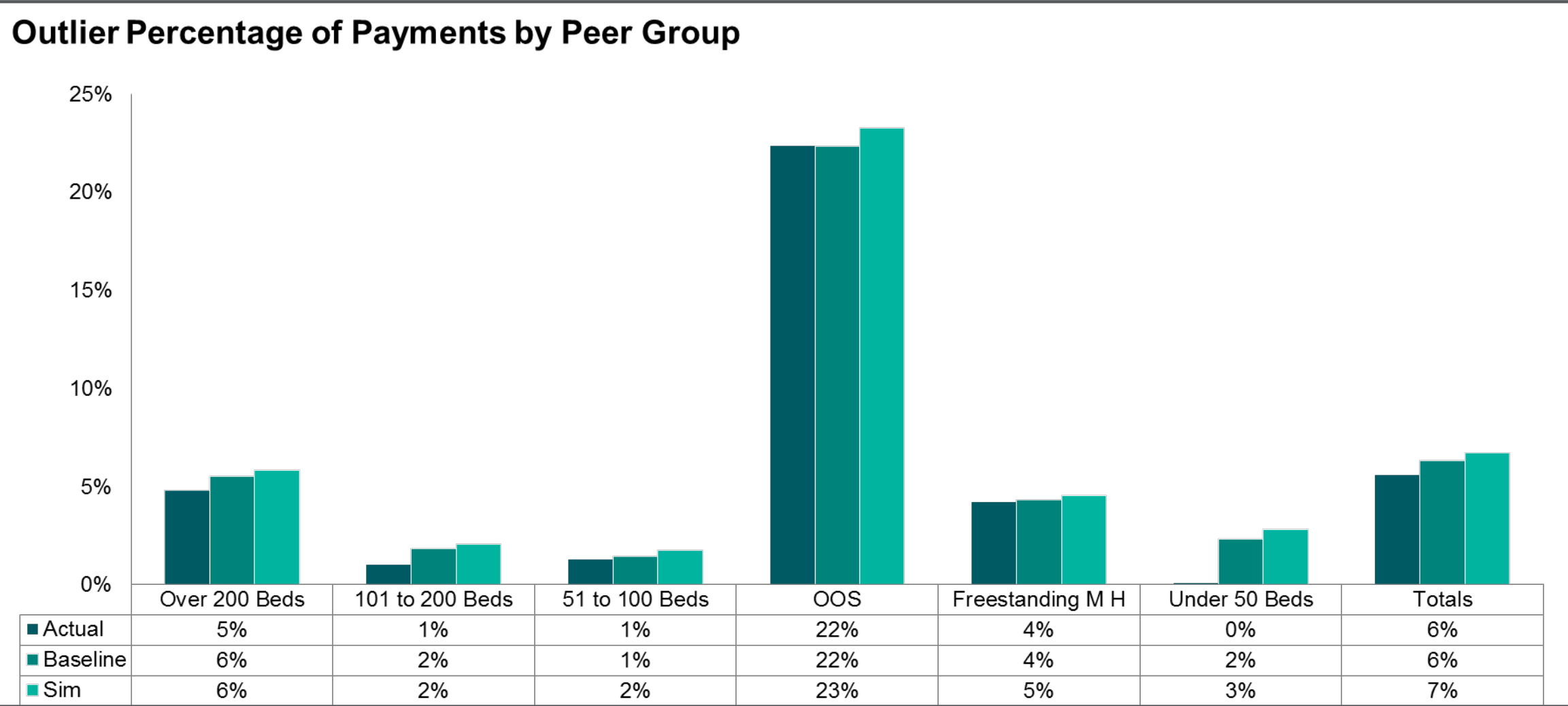


Data represents a six month period, Jan 1 – June 30 2016.

Peer Group Impact, Payment Per Stay



Peer Group Impact, Outlier Percentage



Data is for a six month period, Jan 1 – June 30 2016.

Simulation Results by Peer Group

Under 50 Beds

	Analytical Dataset		Baseline		Simulation		Change in Payment		Change in Payment
	Stays	Days	Casemix V33	Allowed Baseline	Casemix V34	Allowed Sim	Change in Payment	Pct Change	
	Marion General Hospital	427	1,678	0.73	\$2,563,876	0.71	\$2,499,685	-\$64,190	
South Sunflower County Hospital	275	683	0.41	\$902,328	0.41	\$863,772	-\$38,557	-4%	X
S E Lackey Memorial Hospital	127	384	0.44	\$342,299	0.43	\$337,654	-\$4,645	-1%	X
Claiborne County Hospital	57	181	0.60	\$219,470	0.59	\$212,503	-\$6,968	-3%	X
Kings Daughters Hospital	55	185	0.57	\$195,060	0.54	\$184,329	-\$10,731	-6%	X
Webster General Hospital	51	135	0.66	\$208,043	0.64	\$199,594	-\$8,450	-4%	X
Sharkey Issaquena Community Hospital	48	123	0.49	\$149,884	0.48	\$128,597	-\$21,288	-14%	X
Hardy Wilson Memorial Hospital	34	129	0.60	\$131,018	0.57	\$124,586	-\$6,432	-5%	X
Noxubee General Critical Access Hos	29	114	0.58	\$108,701	0.56	\$106,044	-\$2,656	-2%	X
Beacham Memorial Hospital	29	125	0.66	\$122,390	0.63	\$109,815	-\$12,575	-10%	X
Field Health System	27	98	0.79	\$126,269	0.75	\$119,617	-\$6,652	-5%	X
Lawrence County Hospital	24	85	0.43	\$77,001	0.42	\$75,037	-\$1,964	-3%	X
North Sunflower Medical Center	23	65	0.68	\$98,735	0.63	\$91,308	-\$7,428	-8%	X
Walthall Co General Hospital	22	66	0.55	\$77,056	0.52	\$73,200	-\$3,856	-5%	X
Tishomingo Health Services Inc	21	62	0.72	\$89,800	0.72	\$87,410	-\$2,390	-3%	X
Scott Regional Medical Center	20	59	0.53	\$66,759	0.51	\$64,016	-\$2,743	-4%	X
Stone County Hospital Inc	20	54	0.54	\$63,768	0.52	\$61,446	-\$2,322	-4%	X
Yalobusha Gen Hosp Nursing Home	17	51	0.54	\$59,357	0.52	\$54,777	-\$4,579	-8%	X
Tyler Holmes Memorial Hospital	15	53	0.54	\$51,497	0.54	\$52,046	\$549	1%	X
Quitman County Hospital LLC	15	27	0.57	\$54,454	0.57	\$53,812	-\$642	-1%	X

Change in Payment	
X	Decrease > 10%
X	Decrease < 10%
X	Increase <10%
X	Increase > 10%

- Payment excludes supplemental payments

Data represents a six month period, Jan 1 – June 30 2016.

Simulation Results by Peer Group

Under 50 Beds (Con't)

	Analytical Dataset		Baseline		Simulation		Change in Payment		Change in Payment
	Stays	Days	Casemix V33	Allowed Baseline	Casemix V34	Allowed Sim	Change in Payment	Pct Change	
Alliance Healthcare System	13	46	0.51	\$44,464	0.51	\$43,581	-\$883	-2%	X
Baptist Medical Center Leake	13	47	0.50	\$41,389	0.49	\$40,274	-\$1,116	-3%	X
Whitfield Med Surgical Hosp	12	102	0.74	\$53,772	0.72	\$50,886	-\$2,886	-5%	X
Holmes County Hospital And Clinics	12	32	0.63	\$48,185	0.61	\$47,130	-\$1,055	-2%	X
H C Watkins Memorial Hospital	11	40	0.53	\$35,147	0.52	\$34,962	-\$186	-1%	X
Simpson General Hospital	10	28	0.57	\$35,624	0.54	\$32,564	-\$3,060	-9%	X
Pioneer Comm Hospital Of Aberdeen	10	35	0.80	\$48,517	0.75	\$45,472	-\$3,045	-6%	X
Laird Hospital Inc	10	32	0.66	\$41,449	0.65	\$40,724	-\$725	-2%	X
Calhoun Health Services	8	23	0.52	\$26,431	0.51	\$26,217	-\$215	-1%	X
John C Stennis Memorial Hospital	7	22	0.78	\$28,334	0.76	\$24,861	-\$3,473	-12%	X
Franklin County Memorial Hospital	5	17	0.66	\$21,219	0.57	\$18,376	-\$2,843	-13%	X
Jefferson County Hosp	5	17	0.59	\$18,981	0.58	\$14,842	-\$4,140	-22%	X
Jefferson Davis General Hospital	5	21	0.65	\$20,717	0.58	\$18,522	-\$2,194	-11%	X
Pontotoc Health Services Inc	2	5	0.85	\$7,424	0.83	\$7,406	-\$18	0%	X
Tallahatchie General Hospital	2	9	0.71	\$9,172	0.77	\$9,921	\$750	8%	X
Choctaw Regional Medical Center	2	6	0.53	\$6,738	0.52	\$6,683	-\$55	-1%	X

Change in Payment	
X	Decrease > 10%
X	Decrease < 10%
X	Increase < 10%
X	Increase > 10%

- Payment excludes supplemental payments

Data represents a six month period, Jan 1 – June 30 2016.

Simulation Results by Peer Group

51 to 100 Beds

	Analytical Dataset		Baseline		Simulation		Change in Payment		Change in Payment
	Stays	Days	Casemix V33	Allowed Baseline	Casemix V34	Allowed Sim	Change in Payment	Pct Change	
Och Regional Medical Center	644	1,648	0.38	\$2,039,084	0.38	\$2,012,407	-\$26,677	-1%	X
Merit Health Gilmore Hospital	565	1,766	0.45	\$2,088,495	0.44	\$2,064,404	-\$24,091	-1%	X
Merit Health Madison	366	1,032	0.47	\$1,486,300	0.46	\$1,487,866	\$1,566	0%	X
Clay County Medical Center	273	799	0.41	\$931,732	0.40	\$904,408	-\$27,324	-3%	X
Methodist Healthcare Olive Branch	230	611	0.49	\$871,132	0.47	\$846,377	-\$24,755	-3%	X
George County Hospital	220	598	0.37	\$673,250	0.36	\$663,148	-\$10,102	-2%	X
Neshoba County General Hospitalnur	194	523	0.46	\$560,703	0.45	\$539,992	-\$20,711	-4%	X
Wayne General Hospital	171	650	0.56	\$713,114	0.55	\$641,359	-\$71,755	-10%	X
Highland Community Hospital	151	371	0.47	\$555,486	0.47	\$559,764	\$4,278	1%	
Magee General Hospital	104	335	0.45	\$344,822	0.44	\$334,399	-\$10,423	-3%	X
North Oak Regional Medical Center	39	125	0.62	\$157,595	0.60	\$151,622	-\$5,973	-4%	X
Baptist Medical Center Attala	12	28	0.67	\$46,784	0.61	\$42,295	-\$4,489	-10%	X
Tippah County Health Services	11	35	0.66	\$39,161	0.62	\$37,500	-\$1,661	-4%	X
Covington County Hospital	11	24	0.69	\$37,163	0.70	\$36,776	-\$387	-1%	X
Winston Medical Center	10	30	0.55	\$34,504	0.52	\$32,782	-\$1,722	-5%	X
Trace Regional Hospital	5	14	0.56	\$17,981	0.51	\$16,357	-\$1,623	-9%	X
Select Specialty Hospital Jackson	1	21	1.75	\$11,223	1.91	\$12,272	\$1,049	9%	

Change in Payment	
X	Decrease > 10%
X	Decrease < 10%
X	Increase <10%
X	Increase > 10%

- Payment excludes supplemental payments

Data represents a six month period, Jan 1 – June 30 2016.

Simulation Results by Peer Group

101 to 200 Beds

	Analytical Dataset		Baseline		Simulation		Change in Payment		Change in Payment	
	Stays	Days	Casemix V33	Allowed Baseline	Casemi x V34	Allowed Sim	Change in Payment	Pct Change	Change in Payment	Change in Payment
Baptist Memorial Hospital Desoto	1,652	5,395	0.60	\$7,450,338	0.58	\$7,258,695	-\$191,643	-3%	X	
Merit Health Biloxi	965	3,828	0.52	\$4,323,411	0.51	\$4,234,840	-\$88,571	-2%	X	
Baptist Memorial Hosp union County	900	2,063	0.33	\$2,564,081	0.33	\$2,535,656	-\$28,425	-1%	X	
Magnolia Regional Health Center	889	2,887	0.56	\$3,813,371	0.55	\$3,685,567	-\$127,804	-3%	X	
Merit Health Northwest Mississippi	839	2,793	0.59	\$3,760,953	0.57	\$3,639,573	-\$121,380	-3%	X	
Alliance Health Center	781	6,457	0.50	\$4,500,085	0.48	\$4,295,859	-\$204,226	-5%	X	
Merit Health River Oaks	768	3,012	0.57	\$3,772,554	0.60	\$3,873,742	\$101,188	3%		X
SW MS Regional Medical Center	723	1,980	0.54	\$2,925,740	0.53	\$2,829,211	-\$96,530	-3%	X	
Merit Health Batesville	528	2,264	0.47	\$2,250,131	0.45	\$2,140,674	-\$109,457	-5%	X	
Kings Daughters Medical Center	521	1,238	0.51	\$2,101,061	0.50	\$2,040,344	-\$60,717	-3%	X	
Bolivar Medical Center	519	1,551	0.46	\$1,865,225	0.45	\$1,821,082	-\$44,144	-2%	X	
Garden Park Medical Center	449	1,277	0.56	\$1,824,666	0.54	\$1,775,738	-\$48,928	-3%	X	
University Of MS Medical Center Gre	259	773	0.52	\$1,008,532	0.51	\$988,845	-\$19,687	-2%	X	
Hancock Medical Center	219	693	0.55	\$1,195,974	0.54	\$1,181,957	-\$14,017	-1%	X	
Merit Health Women's Hospital	189	626	0.41	\$730,518	0.42	\$735,596	\$5,078	1%		
MS Methodist Rehab Center	124	1,758	1.32	\$2,007,888	1.41	\$2,138,199	\$130,311	6%		X
Rankin Medical Center	70	355	1.24	\$569,852	1.16	\$553,552	-\$16,300	-3%	X	
Anderson Regional Medical Center So	65	263	0.61	\$379,753	0.59	\$385,298	\$5,545	1%		X
Bapt Mem Hosp Booneville	40	144	0.69	\$173,773	0.67	\$167,394	-\$6,378	-4%	X	

Change in Payment	
X	Decrease > 10%
X	Decrease < 10%
X	Increase < 10%
X	Increase > 10%

• Payment excludes supplemental payments

Data represents six month period, Jan 1 – June 30 2016.

Simulation Results by Peer Group

Over 200 Beds

	Analytical Dataset		Baseline		Simulation		Change in Payment		Change in Payment
	Stays	Days	Casemix V33	Allowed Baseline	Casemix V34	Allowed Sim	Change in Payment	Pct Change	
University Of Miss Med Center	6,003	43,131	1.41	\$68,452,063	1.40	\$66,900,452	-\$1,551,611	-2%	X
Forrest General Hospital	3,043	13,643	0.81	\$19,084,024	0.79	\$18,428,067	-\$655,957	-3%	X
North Mississippi Medical Center	2,283	13,051	0.91	\$16,263,292	0.93	\$16,261,342	-\$1,950	0%	X
St Dominic Jackson Memorial Hospital	2,180	9,744	0.74	\$12,824,120	0.70	\$12,180,611	-\$643,510	-5%	X
Memorial Hospital At Gulfport	1,832	9,612	0.81	\$13,076,580	0.79	\$12,834,312	-\$242,267	-2%	X
Singing River Health System	1,797	6,654	0.71	\$9,586,484	0.69	\$9,394,011	-\$192,473	-2%	X
Mississippi Baptist Medical Center	1,347	7,267	0.89	\$9,061,956	0.91	\$9,038,797	-\$23,159	0%	X
Merit Health Central	1,303	6,793	0.73	\$8,230,132	0.73	\$8,341,990	\$111,858	1%	X
River Region Health System	1,268	6,099	0.55	\$5,739,467	0.54	\$5,622,843	-\$116,623	-2%	X
South Central Reg Med Ctr	1,191	3,661	0.53	\$4,764,789	0.52	\$4,568,994	-\$195,795	-4%	X
Anderson Regional Medical Center	1,178	4,088	0.60	\$5,430,599	0.59	\$5,299,967	-\$130,632	-2%	X
Delta Regional Medical Center	1,101	4,783	0.73	\$5,918,650	0.75	\$5,746,187	-\$172,463	-3%	X
Merit Health Wesley	1,036	3,087	0.50	\$4,325,690	0.50	\$4,292,251	-\$33,439	-1%	X
Greenwood Leflore Hospital	991	3,401	0.65	\$4,544,070	0.64	\$4,441,067	-\$103,003	-2%	X
Rush Foundation Hospital	802	2,790	0.67	\$4,107,808	0.66	\$3,934,258	-\$173,551	-4%	X
Baptist Memorial Hospital North MS	792	2,483	0.57	\$3,344,215	0.56	\$3,263,828	-\$80,387	-2%	X
BMH Golden Triangle	635	2,239	0.70	\$3,343,778	0.68	\$3,196,397	-\$147,381	-4%	X
Merit Health Natchez	612	1,927	0.47	\$2,215,791	0.46	\$2,164,903	-\$50,888	-2%	X

Change in Payment	
X	Decrease > 10%
X	Decrease < 10%
X	Increase <10%
X	Increase > 10%

- Payment excludes supplemental payments

All data represents a six month period, Jan 1 – June 30 2016.

Simulation Results by Peer Group

Freestanding M H

	Analytical Dataset		Baseline		Simulation		Change in Payment		Change in Payment
	Stays	Days	Casemix V33	Allowed Baseline	Casemix V34	Allowed Sim	Change in Payment	Pct Change	
Brentwood Behavioral Healthcare	812	8,692	0.49	\$5,124,536	0.46	\$4,816,524	-\$308,011	-6%	X
Parkwood Behavioral Hlth System	432	3,626	0.50	\$2,775,434	0.48	\$2,629,860	-\$145,574	-5%	X
Diamond Grove Center	370	3,488	0.54	\$2,549,388	0.51	\$2,407,021	-\$142,367	-6%	X
Longleaf Hospital	92	944	0.45	\$540,975	0.41	\$497,761	-\$43,214	-8%	X
Lakeside Behavioral Hlth Sys	40	518	0.50	\$265,218	0.48	\$254,323	-\$10,895	-4%	X
Oak Circle Center	37	1,609	0.49	\$660,665	0.44	\$636,501	-\$24,164	-4%	X
Liberty Healthcare Systems LLC	15	113	0.33	\$63,674	0.33	\$62,593	-\$1,080	-2%	X

Change in Payment	
X	Decrease > 10%
X	Decrease < 10%
X	Increase < 10%
X	Increase > 10%

- Payment excludes supplemental payments

Data represents a six month period, Jan 1 – June 30 2016.

Simulation Results by Peer Group

Out of State (Top 20 only)

	Analytical Dataset		Baseline		Simulation		Change in Payment		Change in Payment
	Stays	Days	Casemix V33	Allowed Baseline	Casemix V34	Allowed Sim	Change in Payment	Pct Change	
Methodist Hospitals Of Memphis	776	6,564	1.48	\$9,313,312	1.47	\$9,258,036	-\$55,276	-1%	X
USA Children's Women's Hospital	223	2,213	1.31	\$2,308,056	1.42	\$2,407,945	\$99,889	4%	X
Baptist Memorial Hospital	152	1,377	1.88	\$1,974,750	1.80	\$1,901,041	-\$73,710	-4%	X
Regional One Health	148	2,165	2.39	\$3,453,107	2.64	\$3,690,745	\$237,638	7%	X
Ochsner Foundation Hospital	134	1,444	2.01	\$2,109,750	2.03	\$2,109,844	\$95	0%	X
USA Medical Center	94	969	1.97	\$1,170,509	1.87	\$1,023,535	-\$146,974	-13%	X
Ochsner Medical Center Northshore	75	372	0.87	\$409,407	0.86	\$404,117	-\$5,290	-1%	X
St Jude Children's Research Hospital	73	318	1.23	\$609,231	1.16	\$579,864	-\$29,367	-5%	X
Slidell Memorial Hospital	71	233	0.49	\$286,994	0.50	\$297,106	\$10,112	4%	X
Saint Francis Hospital	62	558	0.97	\$556,465	0.97	\$555,546	-\$919	0%	X
Children's Hospital	53	551	1.88	\$1,053,915	1.78	\$1,066,868	\$12,953	1%	X
Tulane University Hospital	35	580	2.22	\$1,870,029	2.02	\$1,913,526	\$43,497	2%	X
Children's Hospital Of Alabama	21	140	2.53	\$350,024	2.29	\$320,092	-\$29,932	-9%	X
Providence Hospital	21	134	1.08	\$146,902	1.02	\$138,467	-\$8,435	-6%	X
University Of Alabama Hospital	17	157	2.13	\$243,328	2.10	\$242,283	-\$1,044	0%	X
Delta Medical Center	16	167	0.74	\$112,907	0.70	\$105,661	-\$7,247	-6%	X
Our Lady Of The Lake Regnl Med Ctr	14	96	1.17	\$111,585	1.16	\$111,271	-\$314	0%	X
DCH Regional Medical Center	8	19	0.54	\$28,870	0.52	\$27,872	-\$998	-3%	X
Mobile Infirmary Medical Center	7	39	1.62	\$65,142	1.58	\$63,444	-\$1,697	-3%	X
Jackson Madison County General Hosp	5	31	1.46	\$37,680	1.72	\$38,856	\$1,176	3%	X

Change in Payment	
X	Decrease > 10%
X	Decrease < 10%
X	Increase < 10%
X	Increase > 10%

Data represents a six month period, Jan 1 – June 30 2016.

Looking to the Future

Looking to the Future

1. CCR updates on 10/1/2017
2. Post implementation monitoring and review
3. Monitor legislation
4. DOM implements APR-DRG V.35 mapper on 10/1/2017

For Further Information

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