

State Medicaid DRG Characteristics

DRG Payment Element	Montana	Washington	Wyoming	Mississippi	Connecticut
DRG Grouper	<ul style="list-style-type: none"> APR DRG V.36 	<ul style="list-style-type: none"> APR DRG V.33 	<ul style="list-style-type: none"> APR DRG V.33 	<ul style="list-style-type: none"> APR DRG V.35 	<ul style="list-style-type: none"> APR DRG V.37
DRG Base Rate(s)	<ul style="list-style-type: none"> Statewide, with peer groups Peer Groups: <ul style="list-style-type: none"> General \$5,263 LTAC \$6,146 Out of state (OOS) center of excellence \$7,853 	<ul style="list-style-type: none"> Hospital specific In-state and critical border includes wage index adj. range of \$7,665 to \$12,780 Bordering city and OOS \$8,373.17 	<ul style="list-style-type: none"> Statewide, with peer groups Peer groups: <ul style="list-style-type: none"> General \$8,747.93 In-state level II trauma hospitals \$7,239.50 and \$9,223.30 In-state freestanding psychiatric hospitals \$7,034.52 	<ul style="list-style-type: none"> Statewide \$6,574 	<ul style="list-style-type: none"> In-state hospital Specific Border and OOS \$7,505.68
DRG Relative Weights	<ul style="list-style-type: none"> HSRV weights V.36 Recentered to 1.0 CMI 	<ul style="list-style-type: none"> HSRV weights V.33 	<ul style="list-style-type: none"> HSRV weights V.33 	<ul style="list-style-type: none"> HSRV weights V.35 	<ul style="list-style-type: none"> HSRV weights V.37
Policy Adjustors	<ul style="list-style-type: none"> 0.95: > 17 years old 1.20: Neonates 1.50: Pediatric mental health 	<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> Limited to one highest 1.3: Age < 19 1.2: Mental health 1.2: Substance abuse 1.5: Obstetrics 1.9: Normal newborn 	<ul style="list-style-type: none"> 1.50: Obstetrics and normal newborns 1.40: Neonates 2.00: Rehabilitation 2.00: Pediatric mental health 1.60: Adult mental health 1.50: Transplants 	<ul style="list-style-type: none"> None
Outlier Payments	<ul style="list-style-type: none"> \$75,000 fixed loss outlier threshold 	<ul style="list-style-type: none"> \$40,000 fixed loss outlier threshold 	<ul style="list-style-type: none"> Fixed loss outlier set at 2 * the standard 	<ul style="list-style-type: none"> \$47,000 fixed loss outlier threshold 	<ul style="list-style-type: none"> Fixed loss outlier set at 1.96 * the

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	<ul style="list-style-type: none"> 50% marginal cost Hospital-specific CCRs State-wide average OOS CCRs 	<ul style="list-style-type: none"> 80% marginal cost for SOI 1 or 2 95% Marginal Cost for SOI 3 or 4 For state administered programs (SAP), use SAP DRG rate and 50% marginal cost Hospital-specific CCRs 	<ul style="list-style-type: none"> deviation of claims cost for each of 4 peer groups – Acute Care, CAH, free-standing psych, and children’s hospitals Hospital specific CCRs Statewide CCRs for OOS 75% marginal cost 	<ul style="list-style-type: none"> 60% marginal cost Hospital-specific CCRs State-wide average OOS CCRs Mental health day outlier <ul style="list-style-type: none"> 19 day threshold \$450 per diem 	<ul style="list-style-type: none"> standard deviation of charges for each DRG, with \$30,000 minimum 4.8% of payments target 75% marginal cost
Transfer Policy	<ul style="list-style-type: none"> Yes National average LOS Actual LOS + 1 Discharge status codes 02, 05, 43, 62, 65, 66 	<ul style="list-style-type: none"> Yes State-specific average LOS Actual LOS + 1 Acute and post-acute Discharge status codes 02 – 06, 43, 50, 51, 61-66, 70, 81-95 	<ul style="list-style-type: none"> Yes National average LOS Actual LOS +1 Discharge status codes 02, 05, 65, 66, 82, 85, 93, 94 Excludes neonate DRGs 580, 581 (< 5 days old) 	<ul style="list-style-type: none"> Yes National average LOS Actual LOS + 1 Discharge status codes 02, 05, 07, 63, 65, 66, 82, 85, 91, 93, 94 	<ul style="list-style-type: none"> Yes National average LOS Actual LOS + 1 Discharge status codes 02, 05 Excludes neonate DRGs 580, 581 (< 5 days old)
Partial Stay Eligibility Coverage	<ul style="list-style-type: none"> Yes Covered days / national average LOS 	<ul style="list-style-type: none"> Yes 	<ul style="list-style-type: none"> Yes 	<ul style="list-style-type: none"> Yes Covered days plus 1 / national average LOS 	<ul style="list-style-type: none"> Yes Covered days / LOS
Interim Claims	<ul style="list-style-type: none"> \$400 per diem 30 day interval >180 days paid 80% of cost 	Required at 60-day intervals for stays > 120	<ul style="list-style-type: none"> No 	<ul style="list-style-type: none"> \$850 per diem 30 day interval 	<ul style="list-style-type: none"> Yes > 29 days LOS * (base DRG payment / ALOS)
Outpatient Bundling	<ul style="list-style-type: none"> Yes Day of and day before 	<ul style="list-style-type: none"> No 	<ul style="list-style-type: none"> Yes From date the patient first seen for op services, if seen in op setting within 	<ul style="list-style-type: none"> Yes Day of and 3 days before 	<ul style="list-style-type: none"> Day of and 3 days before, includes observation and emergency department

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			24 hours of admission		
Charge Limit	<ul style="list-style-type: none"> • Yes 	<ul style="list-style-type: none"> • Yes 	<ul style="list-style-type: none"> • Not in MMIS. Charge limit is applied to annual billed charges after supplemental payments 	<ul style="list-style-type: none"> • Yes 	<ul style="list-style-type: none"> • Yes
Documentation and Coding Adjustment	<ul style="list-style-type: none"> • Not currently used 	Not currently used	<ul style="list-style-type: none"> • First year – 5% applied to relative weights 	<ul style="list-style-type: none"> • Years 1 – 3 of implementation • Year 1: 2.5% • Year 2: 3.5% for general stays and 7.1% for freestanding psychiatric hospital stays • Year 3: 2.0%, Year 4: 0.0% 	<ul style="list-style-type: none"> • Yes • 4.76%. with refund potential after first year (2015)
Add-on Payments	<ul style="list-style-type: none"> • None 	<ul style="list-style-type: none"> • GME • Administrative day policy per diem • Quality incentive payment 	<ul style="list-style-type: none"> • Capital 	<ul style="list-style-type: none"> • GME 	<ul style="list-style-type: none"> • None
Quality Component	<ul style="list-style-type: none"> • HCAC 	<ul style="list-style-type: none"> • HCAC • Quality incentive payment • PPR denial of payment 	<ul style="list-style-type: none"> • HCAC 	<ul style="list-style-type: none"> • HCAC 	<ul style="list-style-type: none"> • HCAC
Excluded Hospitals	<ul style="list-style-type: none"> • Critical access • Indian Health Services • State-owned 	<ul style="list-style-type: none"> • Critical access • Indian Health Services • Public • Military 	<ul style="list-style-type: none"> • State owned mental health 	<ul style="list-style-type: none"> • None 	<ul style="list-style-type: none"> • Chronic disease • Pyschiatric • Freestanding birthing centers

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		<ul style="list-style-type: none"> • Psychiatric free-standing and units • Rehabilitation free-standing and units 			
Excluded Services	<ul style="list-style-type: none"> • Medicare cross-over • Long-Acting Reversible Contraception (LARC) • Dialysis 	<ul style="list-style-type: none"> • Long-Acting Reversible Contraception (LARC) • Transplants • Mental illness • Substance abuse • Bariatrics • Managed care • Pain center 	<ul style="list-style-type: none"> • Rehabilitation • Transplants 	<ul style="list-style-type: none"> • Medicare cross-over • Long-Acting Reversible Contraception (LARC) 	<ul style="list-style-type: none"> • Organ acquisition • Rehabilitation (DRG 860), if PA is obtained • Behavioral health (DRG 740-776), if PA is obtained.
Transition Strategy			<ul style="list-style-type: none"> • Initial base rate budget neutrality (based on legacy system base period) • Provider specific base rates for first 12 months set so that payments do not increase by more than 5% or decrease by more than 4% • Providers with payments > 100% of estimated costs excluded from adjustment 	<ul style="list-style-type: none"> • Initial base rate budget neutrality (based on legacy system base period) 	<ul style="list-style-type: none"> • Hospital specific base rates with revenue neutral targets; three day bundling rule was initially post and pay • Document and coding adjustment with refund potential after first year based on statewide CMI
APR DRG Date of Implementation	<ul style="list-style-type: none"> • October 1, 2008 	<ul style="list-style-type: none"> • July 1, 2014 	<ul style="list-style-type: none"> • February 1, 2019 	<ul style="list-style-type: none"> • October 1, 2012 	<ul style="list-style-type: none"> • January 1, 2015