Wisconsin Department of Health Services

June 30, 2021 Medicaid Hospital Advisory Group Meeting

Rate Year 2022 Preliminary Supporting Analyses Report

June 28, 2021

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Milliman

Table of Contents

Wisconsin Department of Health Services
June 30, 2021 Medicaid Hospital Advisory Group Meeting
Rate Year 2022 Preliminary Supporting Analyses Report

June 28, 2021

Overview

State of Wisconsin Department of Health Services (DHS) engaged Milliman to provide annual hospital rate-setting services for its Medicaid inpatient and outpatient payment methodologies. This work includes annual updates to DHS' inpatient All Patient Refined Diagnosis Related Groups (APR DRG) and outpatient Enhanced Ambulatory Patient Groups (EAPGs) patient classification versions. As part of its on-going stakeholder engagement in support of hospital rate-setting activities, DHS and Milliman are meeting with the Wisconsin Medicaid Advisory Hospital Group (MAHG) and the Wisconsin Hospital Association (WHA) on June 30, 2021, to discuss DHS' planned changes for rate year (RY) 2022 (concurrent with Calendar Year 2022) and to present preliminary supporting analyses. Milliman has performed this work under contract with DHS effective February 3, 2021.

The RY 2022 hospital rate analyses accompanying this report are preliminary for discussion purposes and for validating rate inputs with hospital stakeholders, and are subject to change based on the availability of additional data and information and DHS policy decisions. Final RY 2022 hospital rate calculations will be conducted subsequent to these analyses. Readers should reference DHS' June 30, 2022 MAHG meeting presentation, the Wisconsin Medicaid inpatient and outpatient state plan, and appropriate 3M APR DRG and EAPG documentation to understand the appropriate use of the information presented; this report should not be considered complete without the reader's reference to those documents.

INPATIENT APR DRGs

Key payment policy parameters for Wisconsin's RY 2021 inpatient APR DRG payment methodology, as approved by the Centers for Medicare and Medicaid Services (CMS) in **Wisconsin State Plan Amendment (SPA) 4.19-A section 6000[1]**, are shown in Figure 1 below. DHS' RY 2021 inpatient hospital rates and weights were developed by a prior contractor.

FIGURE 1 - WISCONSIN RY 2021 INPATIENT APR DRG PAYMENT PARAMETERS

DRG Payment Methodology Parameter	Current RY 2021 Description	New RY 2022 DHS Proposed Approach
DRG Grouper	DHS currently uses 3M's APR DRG Grouper version 37.1 for RY 2021, which contains 330 valid DRGs, each with four severity of illness (SOI) levels from 1-Minor to 4-Exterme (1,320 total DRG and SOI level combinations).	DHS proposes to update to version 38 for RY 2022.
DRG Relative Weights	DHS currently uses 3M's APR DRG version 37.1 "standard" national weights, normalized by a factor of 1.3475 (in order to match modeled case mix under RY 2020 APR DRG version 36 weights).	DHS proposes to update to version 38 "standard blended" national weights, normalized to modeled case mix under version 37.1, for RY 2022.

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[1] [1] https://www.dhs.wisconsin.gov/mandatoryreports/mastateplan/4-19a.pdf

State of Wisconsin Department of Health Services
June 30, 2021 Medicaid Hospital Advisory Group Meeting
Rate Year 2022 Preliminary Supporting Analyses Report

1

June 28, 2021

DRG Payment Methodology Parameter	Current RY 2021 Description	New RY 2022 DHS Proposed Approach
DRG Base Rates	DHS currently has hospital-specific APR DRG base rates determined separately for general acute hospitals and CAHs. For general acute hospitals, DRG base rates contain a statewide standardized amount (currently $6590.26 for RY 2021), based on RY 2020 rates increased for inflation. The standardized amount is adjusted for differences in hospital wage indices and direct graduate medical education (GME) costs, as follows: [(Statewide standardized amount) x (Non-labor portion) + (Statewide standardized amount) x (Labor portion) x (Wage index)] + (Direct GME add-on) The wage indices for RY 2021 are based on the Medicare inpatient prospective payment system (IPPS) wage indices effective for federal fiscal year (FFY) 2020. CAHs have provider-specific cost-based DRG base rates.	DHS proposes for RY 2022 to: ▪ Apply an annual inflation update based on changes in CMS input price index levels (subject to budget availability), and will evaluate expenditure impacts ▪ Update graduate medical education add-ons using the most recently available Medicare cost report data from 3/31/2021 HCRIS extract ▪ Update wage indices to the FFY 2021 Medicare IPPS correction notice factors
DRG Policy Adjusters	Wisconsin's APR DRG payment methodology includes DRG "Policy Adjusters", which enhance the DRG base payment for key Medicaid service lines where maintaining access to care is critical. Current policy adjuster factors for RY 2021 are as follows (highest qualifying adjuster is applied): ▪ Neonate DRG: 1.30 ▪ Normal Newborn DRG: 1.80 ▪ Pediatric Age (17 and under): 1.20 ▪ Transplant DRG: 1.50 ▪ Level I Trauma Services Provider trauma designation: 1.30 ▪ Other services: 1.00 (no enhancement)	DHS has no planned methodology changes for RY 2022, and will evaluate the impact of current factors.
DRG Base Payments	The base DRG per-discharge payment is calculated as follows: (DRG base rate) X (APR DRG relative weight) X (DRG policy adjuster) For transfer-out cases (where the patient is transferred to other short term general hospitals or inpatient institutions), the DRG base payment is prorated as follows (not to exceed the full DRG base payment): [(Full DRG base payment) / (DRG average length of stay)] X (Claim Length of Stay +1)	DHS has no planned methodology changes for RY 2022.
DRG Outlier Payments	DRG outlier payments are made in addition to the base DRG payment for extraordinary high cost cases, where the estimated claim cost exceeds the base DRG payment by the cost outlier threshold. Outlier payment formulas are as follows: ▪ Claim cost: (Claim billed charges) X (Outlier cost-to-charge ratio) ▪ Outlier criteria: If (Claim cost) - (DRG base payment) > (Cost outlier threshold), the claim qualifies for an outlier payment ▪ Outlier payment: [(Claim cost) - (DRG base payment) – (Cost outlier threshold)] x (Marginal cost factor) Cost outlier thresholds are calculated separately for general acute hospitals ($46,587 in RY 2021) and CAHs ($300 in RY 2021). There are separate marginal cost factors for SOI	DHS proposes for RY 2022 to: ▪ Update outlier cost-to-charge ratios (CCRs) based on FFY 2021 Medicare IPPS outlier CCRs ▪ Evaluate the impact of other current factors

DRG Payment Methodology Parameter	Current RY 2021 Description	New RY 2022 DHS Proposed Approach
	levels 1 and 2 (80% in RY 2021) and SOI levels 3 and 4 (95% for FY 2021).	
DRG Carve-outs	The following services are carved-out of the DRG payment system and paid on a per diem basis: ▪ Psychiatric services ▪ Rehabilitation services ▪ Long Term Acute Care (LTAC) hospital services ▪ Ventilator assisted services ▪ Brain injury care services The following services are also carved-out of the DRG payment methodology and paid under a different payment methodology: ▪ Department of Corrections services: paid based on the statewide average CCR ▪ Unusual cases (provider requests): alternative payment determined on a case-by-case basis ▪ Long-Acting Reversible Contraception (LARC): separate fee schedule	DHS has no planned methodology changes for RY 2022. DHS will update cost-based per diem rates using the most recently available Medicare cost report data from the March 31, 2021 Hospital Cost Report Information System (HCRIS, CMS' electronic cost report database).

The preliminary analyses supporting the RY 2022 inpatient rates updates described in this report and for discussion at the June 30, 2021 MAHG meeting include the following:

- DRG relative weights: preliminary modeled APR DRG case mix and weight normalization factor

- DRG base rates: FFY 2021 Medicare IPPS wage indices and GME cost percentages

- DRG outlier payments: FFY 2021 Medicare IPPS outlier CCRs

OUTPATIENT EAPGS

Key payment policy parameters under Wisconsin's RY 2021 outpatient EAPG payment methodology, as approved by CMS in **Wisconsin SPA 4.19-B section 4200[2]**, are shown in Figure 2 below. DHS' RY 2021 outpatient hospital rates and weights were developed by a prior contractor.

FIGURE 2 – WISCONSIN OUTPATIENT EAPG PAYMENT PARAMETERS

EAPG Payment Parameter	Current RY 2021 Description	New RY 2022 DHS Proposed Approach
EAPG Grouper	DHS uses 3M's EAPG version 3.15 for RY 2021, which contains 603 valid EAPGs.	DHS proposes to update to version 3.16 for RY 2022.
EAPG Relative Weights	DHS uses 3M's EAPG version 3.15 national weights for RY 2021, normalized by a factor of 2.0 x 1.0053 (in order to match modeled case mix under RY 2020 EAPG 3. 14 weights)	DHS proposes to update to version 3.16 national weights, normalized to modeled case mix under version 3.15, for RY 2022.

EAPG Payment Parameter	Current RY 2021 Description	New RY 2022 DHS Proposed Approach
EAPG Base Rates	DHS' EAPG base rates were determined separately for general acute hospitals and CAHs. For general acute hospitals, EAPG base rates contain a statewide standardized amount (currently $89.54 for RY 2021), based on RY 2020 rates increased for inflation. The EAPG base rate is based on the sum of the standardized amount and each hospital's direct GME add-on). CAHs currently have provider-specific cost-based EAPG base rates.	DHS proposes for RY 2022 to: ▪ Apply an annual inflation update based on changes in CMS input price index levels (subject to budget availability), and will evaluate expenditure impacts ▪ Update graduate medical education add-ons using the most recently available Medicare cost report data from the March 31, 2021 HCRIS extract
EAPG Base Payments	The base EAPG per-visit payment is calculated as follows: (EAPG base rate) X (EAPG DRG relative weight) X (EAPG discounting factor)	DHS has no planned methodology changes for RY 2022.
EAPG Discounting Factor	Based on EAPG grouper output, select services are subject to "discounting" (adjusted by a factor of 50%) for various scenarios (multiple procedure, bilateral, and repeat ancillary). In addition, select routine ancillary services are "packaged" and $0 paid (adjusted by a factor of 0%). Other services without adjustments for discounting or packaging are paid the full EAPG base payment (adjusted by a factor of 100%).	DHS has no planned methodology changes for RY 2022.
EAPG Carve-outs	The following services are carved-out of the EAPG payment system and paid on a fee schedule or per visit basis: ▪ Therapy Services ▪ Clinical Diagnostic Laboratory Services ▪ Durable Medical Equipment (DME) ▪ Provider-Based End Stage Renal Disease (ESRD) Services ▪ County Jail Inmates	DHS has no planned methodology changes for RY 2022.

The preliminary analyses supporting the RY 2022 outpatient rates described in this report and for discussion at the June 30, 2021 MAHG meeting include the following:

- EAPG relative weights: preliminary modeled EAPG case mix and weight normalization factor

- EAPG base rates: GME cost percentages

Remaining RY 2022 rate calculations and payment impact estimates are currently being developed and will be shared at a future MAHG meeting.

State of Wisconsin Department of Health Services
June 30, 2021 Medicaid Hospital Advisory Group Meeting
Rate Year 2022 Preliminary Supporting Analyses Report

4

June 28, 2021

Results and Methodology

The RY 2022 preliminary supporting analysis results and methodology are described below.

PRELIMINARY MODELED INPATIENT APR DRG CASE MIX

To model APR DRG case mix under both RY 2021 version 37.1 and RY 2022 version 38, we used Medicaid inpatient fee-for-service (FFS) paid claims and Health Maintenance Organization (HMO) encounter data with calendar year (CY) 2019 discharge dates received from DHS. We created an extract, transform, and load (ETL) process to combine these Medicaid inpatient FFS claim and HMO encounter data into a single dataset. Once combined, we created necessary 3M Core Grouping Software input files, and executed the 3M APR DRG software under versions 37.1 and 38. We then excluded Medicare crossover claims, out-of-state non-major border hospitals, DRG-exempt claims (paid under per diems), ungroupable DRG claims, and claims with transfer payment adjustments.

We merged the 3M national "standard" weights under versions 37.1 and 38 to the model claims dataset, matching on the applicable APR DRG version. For version 38 we merged both versions of 3M's standard national weights, which are:

- *HCUP (different data source from v37.1):* based on approximately 12.9 million inpatient claims from the 2016 and 2017 Agency for Healthcare Research and Quality (AHRQ) Healthcare Cost and Utilization Project (HCUP) National Inpatient Sample (NIS) research datasets (20% sample of U.S. hospital discharges).

- *Blended (partially using the same data source as v37.1)*: Based of mix of 50% HCUP data and 50% other national data sources (approximately 16 million calendar year 2016-2017 inpatient claims from Medicare, Commercial and Medicaid Plan data, Children's Hospital data, and a state dataset). [3]

We calculated APR DRG case mix under 3M's national weights for versions 37.1 and 38 by summing the 3M national weight and dividing by the number of CY 2019 model claims. Based on its review of 3M's standard national weight sets, DHS selected the **blended** national weight version to minimize changes in case mix under v38 compared to v37.1. DHS may explore the use of HCUP weights for RY 2023.

At DHS' direction and consistent with RY 2021, we calculated the "normalized" case mix under versions 37.1 and 38. Normalizing the APR DRG weights involves the application of a statewide adjustment factor to the 3M national weights to achieve a target aggregate modeled case mix. Normalizing the national weights allows for consistent aggregate case mix when updating APR DRG versions for the new rate year, and reduces volatility in year-over-year changes in DRG base rates. Per 3M in its APR DRG documentation:

> [P]ayers and other users of 3M relative weights must therefore be careful to **scale (up or down) the 3M relative weights to fit the characteristics of each payer's unique population**...*Changes to not only the APR patient classification, but also to the dataset used to compute the relative weights will have an overall impact on CMI.*[4]

For modeled case mix under RY 2021 version 37.1, we applied DHS' current normalization factor of 1.3475 to the 3M national weights. For RY 2022 version 38, we then calculated a preliminary normalization factor of 1.1112 such that modeled normalized case mix under APR DRG version 38 equaled modeled normalized case mix under APR DRG version 37 on a statewide basis, as shown in Figure 3:

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[3] 3M™ All Patient Refined Diagnosis Related Groups (APR DRG) Summary of Changes, version 38.0, 10/2/2020.
[4] Ibid.

FIGURE 3 - PRELIMINARY MODELED APR DRG CASE MIX AND NORMALIZATION FACTOR

Value	Preliminary Modeled RY 2021 v37.1 (Normalized)	Preliminary Modeled RY 2022 v38 (Unnormalized)	Preliminary Modeled RY 2022 v38 (Normalized)
Normalization factor	1.3475	N/A	1.1123
Modeled case mix	0.8575	0.7710	0.8575

These preliminary APR DRG calculations do not represent final model totals and will be updated with more recent encounter submissions from the May 2021 extract.

PRELIMINARY MODELED OUTPATIENT EAPG CASE MIX

To model EAPG case mix under both RY 2021 version 3.15 and RY 2022 version 3.16, we used Medicaid outpatient FFS paid claims and HMO encounter data with CY 2019 service dates received from DHS. We created an ETL process to combine these Medicaid outpatient FFS claim and HMO encounter data into a single dataset. Once combined, we created necessary 3M Core Grouping Software input files, and executed the 3M EAPG software under versions 3.15 and 3.16. We then excluded Medicare crossover claims, out-of-state non-major border hospitals, and invalid EAPG claims.

We merged the 3M national weights under versions 3.15 and 3.16 to the model claims dataset, matching on the applicable EAPG version (there is only one 3M national weight set for each version). We then adjusted the national weights by the EAPG discounting factor applicable to each EAPG version based on 3M software output. As mentioned, select services are subject to "discounting" (adjusted by a factor of 50%) for various scenarios (multiple procedure, bilateral, and repeat ancillary), and select routine ancillary services are "packaged" and $0 paid (adjusted by a factor of 0%). We calculated the EAPG case mix under 3M's national weights for versions 3.15 and 3.16 by summing the 3M national weights across detail lines (including those adjusted for discounting), and dividing by the number of unique visits (based on 3M software output).

At DHS' direction and consistent with RY 2021, we calculated the "normalized" case mix under versions 3.15 and 3.16. Similar to the process described for APR DRGs, normalizing the EAPG weights involves the application of a statewide adjustment factor to the 3M national weights to achieve a target aggregate modeled case mix. Normalizing the national weights allows for consistent aggregate case mix when updating EAPG versions for the new rate year, and reduces volatility in year-over-year changes in EAPG base rates. Per 3M in its EAPG documentation:

> *Care must therefore be taken to scale (up or down) the relative weights provided within the calculation to fit the average spend of the target population…Those using the national weights…should make sure that the absolute value of relative weights match the expected pattern for approved local spending and, if need be, scale relative weights so as to match that expectation while keeping relative differences constant.*[5]

For modeled case mix under RY 2021 version 3.15, we applied DHS' current normalization factors of 2.0 x 1.0053 = 2.0106 to the 3M national weights. For RY 2022 version 3.16, we then calculated a preliminary normalization factor of 2.0 x 1.0475 = 2.0950 such that modeled normalized case mix under EAPG version 3.16 equaled modeled normalized case mix under EAPG version 3.15 on a statewide basis, as shown in Figure 4:

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[5] 3M™ Enhanced Ambulatory Patient Groups (EAPG) Summary of Changes, version 38.0, 1/21/2021.

FIGURE 4 – PRELIMINARY MODELED EAPG CASE MIX AND NORMALIZATION FACTOR

Value	Preliminary Modeled RY 2021 v3.15 (Normalized)	Preliminary Modeled RY 2022 v3.16 (Unnormalized)	Preliminary Modeled RY 2022 v3.16 (Normalized)
Normalization factor	2.0 x 1.0053 = 2.0106	N/A	2.0 x 1.0475 = 2.0950
Modeled case mix	1.6653	0.7949	1.6653

These preliminary EAPG calculations do not represent final model totals and will updated with more recent encounter submissions from the May 2021 extract.

PRELIMINARY MODELED GRADUATE MEDICAL EDUCATION (GME) COST PERCENTAGES

For the purpose of developing RY 2022 GME add-ons for APR DRG base rates and EAPG base rates, we calculated preliminary GME cost percentages for each teaching hospital. Per DHS' established GME add-on methodologies, these GME cost percentages will be applied to the case mix adjusted average Medicaid cost per inpatient claim to calculate the GME add-ons for DRG base rates, and to the case mix adjusted average Medicaid cost per outpatient visit to calculate the GME add-ons for EAPG base rates.

We calculated GME cost percentages based on the most recently available Medicare cost report data from CMS' March 31, 2021 Hospital Cost Report Information System (HCRIS) extract (CMS' electronic Medicare cost report database). We then extracted the following cost report values from the HCRIS:

- Total GME costs

- Total GME non-allowable costs

- Total hospital costs without GME

- Total hospital non-allowable costs (excluding GME)

We calculated preliminary GME cost percentages by dividing total allowable GME costs (net of non-allowable GME costs) by total hospital allowable costs (including allowable GME costs, net of non-allowable costs). See **Appendix A** for the preliminary RY 2022 GME cost percentages for each teaching hospital.

PRELIMINARY MEDICARE IPPS WAGE INDICES AND OUTLIER CCRS

As mentioned, DHS' DRG base rates include wage index adjustments and DHS' cost-based outlier payment calculation relies upon outlier CCRs, both of which are based on values from the Medicare IPPS. Per DHS' direction, for RY 2022 rate-setting purposes we extracted wage indices and outlier CCRs from the FFY 2021 Medicare IPPS correction notice for each in-state and major border acute hospital, as follows:

- *Wage indices:* Per Wisconsin SPA 4.19 B section 6243, we extracted provider-specific Medicare FFY 2021 IPPS wage indices information from CMS' Correction Notice "Table 2". Per SPA requirements, for a hospital without a wage index published by CMS in the FFY 2021 Medicare IPPS data, we used a weighted average wage index for hospitals with Medicare IPPS wage indices in the same CBSA as the hospital without a Medicare IPPS wage index, based on CY 2019 Medicaid APR DRG model claim and encounter paid amounts.

- *Outlier CCRs:* Per Wisconsin SPA 4.19 B section 6330, we extracted the most recently effective provider-specific Medicare FFY 2021 IPPS operating and capital outlier CCRs from CMS' provider-specific file. Per SPA requirements, for a hospital without outlier CCRs published in the Medicare IPPS provider specific file, we calculated an outlier CCR using model hospital-specific CY 2019 Medicaid APR DRG claims and encounter data and overlapping Medicare cost report data using the following steps:

State of Wisconsin Department of Health Services
June 30, 2021 Medicaid Hospital Advisory Group Meeting
Rate Year 2022 Preliminary Supporting Analyses Report

7

June 28, 2021

- Merged Wisconsin DHS revenue code crosswalk to claims detail data

- Merged Medicare cost report's all-payer ancillary CCRs and routine cost per diems to detail claims data using the revenue code crosswalk

- Identified detail line revenue codes without a Medicare cost report ancillary CCR or routine cost per diem and assigned a proxy CCR or cost per diem

- Estimated claim detail data costs, and summed at claim header level

- Summed estimated claim costs and billed charges at the hospital level, and calculated the aggregate CCR by dividing total costs by total charges.

For new hospitals without CY 2019 model claims data, the outlier CCR is based on the sum of operating and capital statewide outlier CCR defaults in the FFY 2021 Medicare IPPS.

See **Appendix B** for the preliminary RY 2022 wage index and outlier CCR for each acute hospital.

Data Sources and Assumptions

The RY 2022 preliminary supporting analyses were developed using data from the sources described below.

WISCONSIN DHS STATE PLAN AMENDMENT

The Wisconsin DHS inpatient state plan 4.19A and outpatient state plan 4.19B were downloaded from the DHS website (see website links in the Overview section). These DHS documents describe the APR DRG and EAPG payment methodology and annual update process.

HOSPITAL CROSSWALK

Based on DHS' list of in-state and major border hospitals and hospital types, provided by DHS on March 11, 2021.

3M™ CORE GROUPING SOFTWARE

3M™ Core Grouping Software was used to process the Medicaid inpatient and outpatient claims data provided by DHS. We relied on accurate processing by the software, reviewed the software output for reasonableness, but did not audit the results.

3M™ NATIONAL WEIGHTS

We relied upon the following 3M™ national weight files downloaded from the 3M Core Grouping Software licensed user site:

- APR DRG version 37.1 standard weights: "apr371_wghts_Standard.xlsx" file
- APR DRG version 38 standard weights: "apr380_wghts_traditional.xlsx" file
- EAPG version 3.15 weights: "EAPG_3.15_nat_wts_Rev20200709.xlsx" file
- EAPG version 3.16 weights: "EAPG_3.16_nat_wts.xlsx" file

WISCONSIN MEDICAID FFS CLAIMS AND HMO ENCOUNTER DATA

DHS provided Milliman with Medicaid inpatient hospital FFS claims and HMO encounter data used in these analyses on February 4, 2021, extracted by DHS' Medicaid Management Information System (MMIS) vendor Gainwell. These claims included service dates in CY 2019 and paid through January 2021. We reviewed the provided data for reasonableness and compared our results to those of the prior contractor for the overlapping periods of our analyses (when possible), but we did not audit the data provided by DHS.

RY 2021 HOSPITAL RATES AND WEIGHTS

DHS provided Milliman with its current RY 2021 inpatient and outpatient hospital rates and weights, as developed by its prior contractor Guidehouse. We have relied upon these RY 2021 hospitals rates and weights without audit.

HCRIS DATA

We extracted CMS Form 2552-10 Medicare hospital cost report data from CMS' March 31, 2021 HCRIS release, downloaded from the CMS website.[6] For each Wisconsin hospital and major out-of-state border hospital we extracted Medicare cost report data from reporting periods overlapping the CY 2019 model claims data, which was a combination of FYE 2019 and 2020 cost report data.

We extracted the following key all-payer data points shown in Figure 5 below for each hospital:

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[6] https://www.cms.gov/Research-Statistics-Data-and-Systems/Downloadable-Public-Use-Files/Cost-Reports/Hospital-2010-form

FIGURE 5 – HCRIS COST REPORT EXTRACT REFERENCES

Data Point	Cost Report Reference
GME cost percentage calculation	
Total GME costs	Worksheet B, Part 1, Line 118, Columns 21 and 22
Total GME non-allowable costs	Worksheet B, Part I, Lines: 44-46, 88-89, 94-95, 99-101
Total hospital costs without GME	Worksheet B Part I, Line 118, Column 26
Total hospital non-allowable costs (excluding GME)	Worksheet B, Part I, Lines: 44-46, 88-89, 94-95, 99-101
Imputed outlier CCR calculation	
Patient Days	Worksheet S-3 Part I, column 8
Billed Charges	Worksheet C Part I, columns 6 and 7
Total Costs less Medical Education	Worksheet C Part I, column 5
Medical Education Costs	Worksheet B Part I, columns 21 and 22

FFY 2021 MEDICARE IPPS FACTORS

We extracted the following FFY 2021 Medicare IPPS data:

- *Wage indices:* Medicare FFY 2021 IPPS wage indices based on the FFY 2021 Medicare IPPS Correction Notice "Table 2" and "Table 3" from the file "CMS_1735_F_CN_Tables 2, 3, 4A, 4B.xlsx" downloaded from the CMS website.[7]

- *Outlier CCRs:* Provider-specific outlier CCRs based on the "CCR" (operating CCR) and "CPCSTCHG" (capital CCR) fields from the FFY 2021 Medicare IPPS Provider Specific File "INPpsf2104.xls", dated May 6, 2021, downloaded from the CMS website.[8] FFY 2021 Medicare IPPS statewide default outlier CCRs were based on the file "CMS-1735-F Tables 8A, 8B, 8C.xlsx" downloaded from the CMS website.[9]

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[7] https://www.cms.gov/medicare/acute-inpatient-pps/fy-2021-ipps-final-rule-home-page

[8] https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/ProspMedicareFeeSvcPmtGen/psf_text

[9] https://www.cms.gov/medicare/acute-inpatient-pps/fy-2021-ipps-final-rule-home-page

State of Wisconsin Department of Health Services
June 30, 2021 Medicaid Hospital Advisory Group Meeting
Rate Year 2022 Preliminary Supporting Analyses Report

10

June 28, 2021

Caveats and Limitations

The services provided for this project were performed under the signed contract between Milliman and State of Wisconsin Department of Health Services (DHS) effective February 3, 2021.

This report contains information produced, in part, by using the 3M™ Core Grouping Software, All Patient Refined Diagnosis Related Groups (APR DRGs), and Enhanced Ambulatory Patient Groups (EAPGs), which is proprietary computer software created, owned and licensed by 3M Company. All copyrights in and to the 3M Software are owned by 3M Company or its affiliates. All rights reserved.

The information contained in this report has been prepared for discussion purposes during a meeting between DHS, Milliman, the Wisconsin Advisory Hospital Group (WAHG), and the Wisconsin Hospital Association (WHA) on June 30, 2021 to discuss DHS' planned changes for rate year (RY) 2022 (effective January 1, 2022) and to present preliminary supporting analyses. The RY 2022 preliminary supporting analyses accompanying this report are for discussion purposes, and are subject to change based on the availability of additional data and information and DHS policy decisions. Final RY 2022 hospital rate calculations will be conducted subsequent to these analyses. Readers should reference DHS' June 30, 2022 MAHG meeting presentation, the Wisconsin Medicaid inpatient and outpatient state plan, and appropriate 3M APR DRG and EAPG documentation to understand the appropriate use of the information presented; this report should not be considered complete without the reader's reference to those documents.

We understand that this report will be shared with Wisconsin Medicaid hospitals and with WHA. To the extent that the information contained in this correspondence is provided to any approved third parties, the correspondence should be distributed in its entirety. Any user of the data must possess a certain level of expertise in health care modeling that will allow appropriate use of the data presented.

Milliman makes no representations or warranties regarding the contents of this correspondence to third parties. Likewise, third parties are instructed that they are to place no reliance upon this correspondence prepared for DHS by Milliman that would result in the creation of any duty or liability under any theory of law by Milliman or its employees to third parties.

Milliman has developed certain models to estimate the values included in this report. The intent of the models is to provide hospital stakeholders with select preliminary RY 2022 estimates for discussion purposes and for validating rate inputs for informational purposes. We have reviewed the models, including their inputs, calculations, and outputs for consistency, reasonableness, and appropriateness to the intended purpose and in compliance with generally accepted actuarial practice and relevant actuarial standards of practice (ASOP).

The models rely on data and information as input to the models. We have relied upon certain data and information provided by CMS, 3M, Gainwell Technologies, Guidehouse, DHS, and DHS's provider and HMO partners for this purpose and accepted it without audit. To the extent that the data and information provided is not accurate, or is not complete, the values provided in this report may likewise be inaccurate or incomplete.

Milliman's data and information reliance includes the items outlined in the Data Sources and Assumptions section of this report. The models, including all input, calculations, and output may not be appropriate, and should not be use, for any other purpose.

Differences between our preliminary estimates results and actual amounts depend on the extent to which future experience conforms to the assumptions made for these analyses. Future results may change from these estimates due to a number of factors, including final DHS policy decisions, changes to medical management policies, enrollment, provider utilization and service mix, COVID-19-related impacts, and other factors.

Guidelines issued by the American Academy of Actuaries require actuaries to include their professional qualifications in all actuarial communications. Peter Hallum is a member of the American Academy of Actuaries and meets the qualification standards for performing the analyses in this report.

State of Wisconsin Department of Health Services
June 30, 2021 Medicaid Hospital Advisory Group Meeting
Rate Year 2022 Preliminary Supporting Analyses Report

11

June 28, 2021

Appendix A – Preliminary RY 2022 GME Cost Percentages

State of Wisconsin Department of Health Services
June 30, 2021 Medicaid Hospital Advisory Group Meeting
Rate Year 2022 Preliminary Supporting Analyses Report

June 28, 2021

State of Wisconsin
Department of Health Services
Division of Medicaid Services
Preliminary Rate Year 2022 Graduate Medical Education (GME) Add-On Calculation

				A	B	C	D	E	F	G	H	I	J
				HCRIS Cost Report									
Medicaid ID	Medicare ID	Provider Type	Provider Name	FY End Date	Report Record Number	Total GME Cost	GME Non-Allow Cost Lines	GME Cost Final (C - D)	Total Hospital Cost	Total Hospital Cost Non-Allow Cost Lines	Total Adj. Hospital Cost Final (F - G)	Total Adj. Hospital Cost With GME Cost (E + H)	% GME (E ÷ I)
11007600	521308	CAH	Amery Regional Medical Center	12/31/2019	673146	$203,696	$0	$203,696	$48,554,539	$3,130,809	$45,423,730	$45,627,426	0.45%
11013700	520096	AH	Ascension - All Saints	6/30/2020	682214	$3,256,157	$0	$3,256,157	$294,222,730	$915,276	$293,307,454	$296,563,611	1.10%
11010300	520051	AH	Ascension Columbia St. Mary's Hospital - Milw.	6/30/2020	681849	$7,728,633	$0	$7,728,633	$390,567,146	$0	$390,567,146	$398,295,779	1.94%
11006700	520009	AH	Ascension NE Wis. - St Elizabeth	6/30/2020	681506	$911,088	$0	$911,088	$258,848,633	$0	$258,848,633	$259,759,721	0.35%
11000700	520019	AH	Ascension Sacred Heart - St Mary's	6/30/2020	681753	$175,536	$0	$175,536	$86,370,990	$3,007,771	$83,363,219	$83,538,755	0.21%
11019400	520136	AH	Ascension SE Wisconsin - Elmbrook	6/30/2020	682031	$5,803,768	$0	$5,803,768	$317,420,689	$0	$317,420,689	$323,224,457	1.80%
11006100	520002	AH	Ascension St Michael's Hospital	6/30/2020	681504	$153,055	$0	$153,055	$135,214,474	$16,508,608	$118,705,866	$118,858,921	0.13%
100095321	520030	AH	Aspirus Stevens Point Hospital	6/30/2020	682836	$908,272	$0	$908,272	$378,089,806	$12,286,867	$365,802,939	$366,711,211	0.25%
11021600	520102	AH	Aurora Lakeland Medical Center	12/31/2019	674613	$247,879	$0	$247,879	$53,243,320	$0	$53,243,320	$53,491,199	0.46%
100013538	520207	AH	Aurora Medical Center - Grafton LLC	12/31/2019	674617	$240,834	$0	$240,834	$196,343,443	$0	$196,343,443	$196,584,277	0.12%
100009852	520206	AH	Aurora Medical Center in Summit	12/31/2019	674511	$36,657	$0	$36,657	$109,373,991	$0	$109,373,991	$109,410,648	0.03%
10062800	524000	Psych	Aurora Psychiatric Hospital Inc	12/31/2019	674361	$312,494	$0	$312,494	$39,133,951	$0	$39,133,951	$39,446,445	0.79%
11020400	520138	AH	Aurora Sinai Medical Center Inc	12/31/2019	674508	$24,176,654	$0	$24,176,654	$1,183,590,849	$2,551,103	$1,181,039,746	$1,205,216,400	2.01%
11017300	520139	AH	Aurora West Allis Med. Ctr	12/31/2019	674509	$230,914	$0	$230,914	$194,782,573	$0	$194,782,573	$195,013,487	0.12%
10065900	524038	Psych	Bellin Psychiatric Center	9/30/2019	668994	$190,039	$0	$190,039	$16,377,923	$0	$16,377,923	$16,567,962	1.15%
11021800	243302	AH	Children's Health Care - Minneapolis	12/31/2019	674559	$10,659,874	$0	$10,659,874	$640,219,855	$8,170,585	$632,049,270	$642,709,144	1.66%
11019700	523300	AH	Children's Hospital of Wisconsin	12/31/2019	675425	$35,562,980	$0	$35,562,980	$547,928,843	$432,482	$547,496,361	$583,059,341	6.10%
11014300	520103	AH	Community Memorial Hospital	6/30/2020	687804	$3,501,274	$0	$3,501,274	$252,981,803	$0	$252,981,803	$256,483,077	1.37%
11005500	240080	AH	Fairview University	12/31/2019	674682	$39,114,021	$0	$39,114,021	$1,436,694,351	$7,460,790	$1,429,233,561	$1,468,347,582	2.66%
11000400	520177	AH	Froedtert Memorial Lutheran Hospital	6/30/2020	681326	$87,795,927	$0	$87,795,927	$1,422,895,025	$0	$1,422,895,025	$1,510,690,952	5.81%
11012900	520087	AH	Gundersen Lutheran Medical Center	12/31/2019	667886	$18,156,282	$0	$18,156,282	$607,267,237	$11,304,618	$595,962,619	$614,118,901	2.96%
11018700	521335	CAH	Hudson Hospital	12/31/2019	673945	$85,520	$0	$85,520	$44,700,298	$0	$44,700,298	$44,785,818	0.19%
100070193	520037	AH	Marshfield Med. Ctr. - Marshfield	9/30/2019	665748	$9,664,597	$0	$9,664,597	$520,528,558	$0	$520,528,558	$530,193,155	1.82%
100074033	521314	CAH	Mayo Clinic Health System - Chippewa Valley	12/31/2019	672106	$5,279	$0	$5,279	$29,129,196	$0	$29,129,196	$29,134,475	0.02%
100073978	521302	CAH	Mayo Clinic Health System - Oakridge	12/31/2019	671736	$4,589	$0	$4,589	$20,377,881	$0	$20,377,881	$20,382,470	0.02%
11011800	520070	AH	Mayo Clinic Health System-Eau Claire	12/31/2019	673520	$2,578,201	$0	$2,578,201	$417,674,839	$3,799,645	$413,875,194	$416,453,395	0.62%
11015900	521305	CAH	Mayo Clinic Health System-Franciscan Health Care in Sparta	12/31/2019	673268	$11,451	$7,157	$4,294	$27,483,462	$8,779,507	$18,703,955	$18,708,249	0.02%
11006300	520004	AH	Mayo Clinic Health System-Franciscan Healthcare	12/31/2019	672104	$2,633,747	$0	$2,633,747	$270,509,653	$0	$270,509,653	$273,143,400	0.96%
100074070	521315	CAH	Mayo Clinic Health System-Northland	12/31/2019	672107	$5,181	$0	$5,181	$51,614,137	$0	$51,614,137	$51,619,318	0.01%
100074084	521340	CAH	Mayo Clinic Health System-Red Cedar	12/31/2019	672109	$77,041	$0	$77,041	$64,355,007	$0	$64,355,007	$64,432,048	0.12%
11019500	521359	CAH	Memorial Medical Center	9/30/2019	665759	$67,373	$0	$67,373	$73,370,492	$0	$73,370,492	$73,437,865	0.09%
11011400	520066	AH	Mercy Health System Corporation	6/30/2020	688136	$2,570,913	$0	$2,570,913	$266,629,003	$1,596,154	$265,032,849	$267,603,762	0.96%
11001700	520089	AH	Meriter Hospital Inc	12/31/2019	672105	$8,728,838	$0	$8,728,838	$346,207,805	$0	$346,207,805	$354,936,643	2.46%
100005464	520205	AH	Midwest Orthopedic Specialty Hospital, LLC	12/31/2019	670960	$12,237	$0	$12,237	$41,290,630	$0	$41,290,630	$41,302,867	0.03%
10062900	524001	Psych	Milwaukee County Behavioral Health	12/31/2019	672839	$331,172	$0	$331,172	$48,649,912	$0	$48,649,912	$48,981,084	0.68%
11008400	520028	AH	Monroe Clinic	12/31/2019	674356	$1,765,132	$0	$1,765,132	$134,636,715	$3,463,106	$131,173,609	$132,938,741	1.33%
10063700	524017	Psych	North Central Health Care Facilities	12/31/2019	675603	$634,127	$0	$634,127	$42,173,462	$23,019,973	$19,153,489	$19,787,616	3.20%
11005600	240106	AH	Regions Hospital	12/31/2019	670049	$59,389,858	$0	$59,389,858	$638,450,500	$1,863,251	$636,587,249	$695,977,107	8.53%
11002400	140239	AH	Rockford Memorial Hospital	6/30/2019	681897	$3,250,406	$0	$3,250,406	$268,366,030	$1,176,454	$267,189,576	$270,439,982	1.20%
11007100	520013	AH	Sacred Heart Hospital	6/30/2020	682401	$1,429,104	$0	$1,429,104	$131,572,298	$209,323	$131,362,975	$132,792,079	1.08%
11013600	520095	AH	Sauk Prairie Memorial Hospital	12/31/2019	670851	$45,163	$4,968	$40,195	$70,904,803	$9,436,295	$61,468,508	$61,508,703	0.07%
11022600	240019	Rehab	SMDC Medical Center	6/30/2020	683015	$4,611,948	$0	$4,611,948	$265,942,469	$0	$265,942,469	$270,554,417	1.70%
11022800	520057	AH	St Clare Hospital and Health Services	12/31/2019	674357	$817,383	$0	$817,383	$49,193,715	$0	$49,193,715	$50,011,098	1.63%
11022900	520083	AH	St Marys Hospital Medical Center	12/31/2019	674358	$6,244,564	$0	$6,244,564	$360,632,997	$3,300,357	$357,332,640	$363,577,204	1.72%
11004500	240047	AH	St. Luke's	12/31/2019	688784	$1,944,921	$0	$1,944,921	$334,666,741	$5,104,049	$329,562,692	$331,507,613	0.59%
11004100	240010	AH	St. Mary's	12/31/2019	671948	$90,253,617	$0	$90,253,617	$2,322,241,114	$2,111,203	$2,320,129,911	$2,410,383,528	3.74%
11003900	240002	AH	St. Mary's Medical Center	6/30/2020	682528	$4,525,521	$0	$4,525,521	$404,397,244	$0	$404,397,244	$408,922,765	1.11%
11019000	520160	AH	ThedaCare Medical Center - Appleton	12/31/2019	674005	$3,926,569	$0	$3,926,569	$241,732,396	$0	$241,732,396	$245,658,965	1.60%
11000900	240038	AH	United Hospital	12/31/2019	672949	$5,156,007	$0	$5,156,007	$503,773,445	$0	$503,773,445	$508,929,452	1.01%
11022000	520098	AH	University of WI Hospital and Clinics Authority	6/30/2020	683230	$69,067,092	$0	$69,067,092	$1,324,289,802	$17,717,778	$1,306,572,024	$1,375,639,116	5.02%
11006600	520008	AH	Waukesha Memorial Hospital Inc	9/30/2020	688934	$3,630,740	$0	$3,630,740	$404,963,545	$0	$404,963,545	$408,594,285	0.89%
11008200	521345	CAH	Westfields Hospital	12/31/2019	670502	$212,965	$0	$212,965	$49,500,573	$0	$49,500,573	$49,713,538	0.43%

Column Definitions:
C: Worksheet B, Part 1, Line 118, Columns 21 and 22.
D: Worksheet B, Part I, Lines: 44-46, 88-89, 94-95, 99-101.
F: Worksheet B Part I, Line 118, Column 26.
G: Worksheet B, Part I, Lines: 44-46, 88-89, 94-95, 99-101.

Appendix B – Preliminary RY 2022 Wage Indices and Outlier CCRs

State of Wisconsin
Department of Health Services
Division of Medicaid Services
Preliminary Rate Year (RY) 2022 Inpatient Wage Indices and Outlier Cost-to-Charge Ratios (CCRs)
Based on FFY 2021 Medicare Inpatient Prospective Payment System (IPPS) factors

Medicaid ID	Medicare ID	Hospital Name	City	State	FFY 2021 Medicare IPPS Geographic CBSA	Preliminary RY 2022 Wage Index	Imputed Wage Index [1]	Preliminary RY 2022 Outlier CCR	Imputed CCR [2]
In-State Acute Care Hospitals									
11013700	520096	Ascension - All Saints	Racine	WI	39540	1.0192	N	0.3050	N
11012400	520078	Ascension - St. Francis Hospital	Milwaukee	WI	33340	0.9813	N	0.4180	N
11008300	520027	Ascension Columbia St. Mary's - Ozaukee	Mequon	WI	33340	0.9813	N	0.2570	N
11010300	520051	Ascension Columbia St. Mary's Hospital - Milw.	Milwaukee	WI	33340	0.9956	N	0.3130	N
11006700	520009	Ascension NE Wis. - St Elizabeth	Appleton	WI	11540	0.9475	N	0.4020	N
100099167	520009	Ascension NE Wisconsin - Mercy Campus	Oshkosh	WI	11540	0.9475	N	0.4020	N
11000700	520019	Ascension Sacred Heart - St Mary's	Rhinelander	WI	52	0.9475	N	0.3980	N
11019400	520136	Ascension SE Wisconsin - Elmbrook	Brookfield	WI	33340	0.9813	N	0.3030	N
11017100	520136	Ascension SE Wisconsin - St. Joseph's	Milwaukee	WI	33340	0.9813	N	0.3030	N
100079350	520136	Ascension SE Wisconsin Hospital - Franklin Campus	Franklin	WI	33340	0.9813	N	0.3030	N
11006100	520002	Ascension St Michael's Hospital	Stevens Point	WI	52	0.9475	N	0.4080	N
11008800	520033	Aspirus Riverview Hospital & Clinics, Inc	Wisconsin Rapids	WI	52	0.9475	N	0.3930	N
11008500	520030	Aspirus Wausau Hospital	Wausau	WI	48140	0.9475	N	0.3020	N
11023500	520193	Aurora BayCare Medical Center	Green Bay	WI	24580	0.9475	N	0.2980	N
11021600	520102	Aurora Lakeland Medical Center	Elkhorn	WI	52	1.0192	N	0.2960	N
100091842	520113	Aurora Medical Center - Bay Area	Marinette	WI	52	0.9515	N	0.2790	N
100013538	520207	Aurora Medical Center - Grafton LLC	Grafton	WI	33340	0.9813	N	0.2740	N
11022500	520189	Aurora Medical Center - Kenosha	Kenosha	WI	29404	1.0174	N	0.2440	N
100009852	520206	Aurora Medical Center in Summit	Summit	WI	33340	0.9813	N	0.2960	N
11008900	520034	Aurora Medical Center of Manitowoc Co Inc	Two Rivers	WI	52	0.9475	N	0.3320	N
11024300	520198	Aurora Medical Center of Oshkosh	Oshkosh	WI	36780	0.9528	N	0.3230	N
11009200	520038	Aurora Medical Center of Washington County Inc	Hartford	WI	33340	1.0047	N	0.3120	N
11010900	520059	Aurora Memorial Hospital - Burlington	Burlington	WI	39540	1.0192	N	0.2910	N
11009000	520035	Aurora Sheboygan Memorial Medical Center	Sheboygan	WI	43100	0.9813	N	0.2880	N
11020400	520138	Aurora Sinai Medical Center Inc	Milwaukee	WI	33340	0.9956	N	0.2080	N
11017200	520138	Aurora St Luke's Medical Center	Milwaukee	WI	33340	0.9956	N	0.2080	N
100061838	520138	Aurora St. Luke's South Shore	Milwaukee	WI	33340	0.9956	N	0.2080	N
11017300	520139	Aurora West Allis Med. Ctr., aka West Allis Memorial Hospital	West Allis	WI	33340	0.9813	N	0.2210	N
11012200	520076	Beaver Dam Community Hospitals Inc	Beaver Dam	WI	52	0.9475	N	0.4120	N
11010200	520049	Bellin Memorial Hospital	Green Bay	WI	24580	0.9475	N	0.3640	N
11014000	520100	Beloit Memorial Hospital Inc	Beloit	WI	27500	1.0047	N	0.2530	N
11019700	523300	Children's Hospital of Wisconsin	Milwaukee	WI	33340	0.9920	Y	0.4337	Y
11023400	523302	Children's Hospital of Wisconsin - Fox Valley	Neenah	WI	36780	0.9528	Y	0.6491	Y
11014300	520103	Community Memorial Hospital	Menomonee Falls	WI	33340	0.9813	N	0.3380	N
11009500	520041	Divine Savior Healthcare Inc	Portage	WI	31540	1.0229	N	0.5300	N
11011900	520071	Fort HealthCare	Fort Atkinson	WI	52	0.9813	N	0.3960	N
11000400	520177	Froedtert Memorial Lutheran Hospital	Milwaukee	WI	33340	0.9956	N	0.2780	N
11007800	520021	Froedtert South (fka United Hospital System)	Kenosha	WI	29404	1.0174	N	0.3990	N
1730710898	520213	FROEDTERT COMMUNITY HOSPITAL	New Berlin	WI	33340	0.9920	Y	0.3130	Y - new
100102130	520212	Marshfield Med. Ctr. - Minocqua	Minocqua	WI	52	0.9475	Y	0.4480	Y - new
11012900	520087	Gundersen Lutheran Medical Center	La Crosse	WI	29100	1.0031	N	0.3930	N
11014600	520107	Holy Family Memorial Medical Center	Manitowoc	WI	52	0.9475	N	0.3170	N

State of Wisconsin
Department of Health Services
Division of Medicaid Services
Preliminary Rate Year (RY) 2022 Inpatient Wage Indices and Outlier Cost-to-Charge Ratios (CCRs)
Based on FFY 2021 Medicare Inpatient Prospective Payment System (IPPS) factors

Appendix B
DRAFT FOR DISCUSSION PURPOSES - NOT FINAL RATES

Medicaid ID	Medicare ID	Hospital Name	City	State	FFY 2021 Medicare IPPS Geographic CBSA	Preliminary RY 2022 Wage Index	Imputed Wage Index [1]	Preliminary RY 2022 Outlier CCR	Imputed CCR [2]
11013300	520091	Howard Young Medical Center Inc, aka Ministry Health Care	Woodruff	WI	52	0.9475	N	0.3710	N
11006900	520011	Marshfield Clinic Health System - Lakeview Med. Ctr.	Rice Lake	WI	52	0.9475	N	0.5410	N
100070193	520037	Marshfield Med. Ctr. - Marshfield, fka St Joseph's	Marshfield	WI	52	0.9475	N	0.4200	N
100085640	520210	Marshfield Medical Center - Eau Claire ****	Eau Claire	WI	20740	0.9475	N	0.7650	N
100102362	520202	Marshfield Medical Center - Weston	Weston	WI	48140	0.9475	N	0.3710	N
11011800	520070	Mayo Clinic Health System-Eau Claire (aka Luther)	Eau Claire	WI	20740	1.0662	N	0.4500	N
11006300	520004	Mayo Clinic Health System-Franciscan Healthcare	La Crosse	WI	29100	1.0031	N	0.4820	N
11011400	520066	Mercy Health System Corporation	Janesville	WI	27500	0.9635	N	0.2340	N
11001700	520089	Meriter Hospital Inc	Madison	WI	31540	1.0229	N	0.2740	N
100005464	520205	Midwest Orthopedic Specialty Hospital, LLC	Franklin	WI	33340	0.9813	N	0.2700	N
11014700	520109	Mile Bluff Medical Center	Mauston	WI	52	0.9475	N	0.3440	N
11008400	520028	Monroe Clinic	Monroe	WI	31540	1.0229	N	0.4330	N
11023800	520196	Oakleaf Surgical Hospital	Eau Claire	WI	20740	0.9475	N	0.4960	N
11011100	520062	Oconomowoc Memorial Hospital	Oconomowoc	WI	33340	0.9813	N	0.3480	N
11023600	520194	Orthopaedic Hospital of Wisconsin - Glendale	Glendale	WI	33340	0.9813	N	0.2860	N
11007100	520013	Sacred Heart Hospital	Eau Claire	WI	20740	1.0662	N	0.3580	N
11013600	520095	Sauk Prairie Memorial Hospital	Prairie du Sac	WI	52	1.0047	N	0.5470	N
11013000	520088	St Agnes Hospital	Fond du Lac	WI	22540	1.0047	N	0.3170	N
11022800	520057	St Clare Hospital and Health Services	Baraboo	WI	52	1.0047	N	0.3240	N
11011200	520063	St Joseph's Community Hospital	West Bend	WI	33340	0.9813	N	0.4010	N
11007500	520017	St Joseph's Hospital	Chippewa Falls	WI	20740	0.9475	N	0.4900	N
11022900	520083	St Marys Hospital Medical Center	Madison	WI	31540	1.0229	N	0.2640	N
11013800	520097	St Mary's Hospital Medical Center	Green Bay	WI	24580	0.9475	N	0.3080	N
11009800	520044	St Nicholas Hospital	Sheboygan	WI	43100	0.9523	N	0.3180	N
11012100	520075	St Vincent Hospital	Green Bay	WI	24580	0.9475	N	0.3180	N
100021887	520208	St. Mary's Hospital	Janesville	WI	27500	1.0047	N	0.2920	N
11019000	520160	ThedaCare Medical Center - Appleton	Appleton	WI	11540	0.9475	N	0.4310	N
11009900	520045	ThedaCare Medical Center - Neenah	Neenah	WI	36780	0.9528	N	0.4370	N
11022000	520098	University of WI Hospital & Clinics Authority	Madison	WI	31540	1.0229	N	0.2780	N
100051765	520116	Watertown Regional Med Ctr	Watertown	WI	52	0.9813	N	0.3410	N
11006600	520008	Waukesha Memorial Hospital Inc	Waukesha	WI	33340	0.9813	N	0.3130	N
Major Out-of-State Border Hospitals									
11021800	243302	Children's Health Care - Minneapolis	Minneapolis	MN	33460	1.0905	Y	0.4109	Y
11002900	230055	Dickinson County Memorial	Iron Mountain	MI	23	0.8502	N	0.2970	N
11005500	240080	Fairview University	Minneapolis	MN	33460	1.0905	N	0.2900	N
11005400	240066	Lakeview Memorial	Stillwater	MN	33460	1.0905	N	0.4310	N
11005600	240106	Regions Hospital	St. Paul	MN	33460	1.0905	N	0.3120	N
11002400	140239	Rockford Memorial Hospital	Rockford	IL	40420	0.9662	N	0.2110	N
11004500	240047	St. Luke's	Duluth	MN	20260	1.0662	N	0.2780	N
11004100	240010	St. Mary's	Rochester	MN	40340	1.0440	N	0.3930	N
11003900	240002	St. Mary's Medical Center aka Essentia	Duluth	MN	20260	0.9430	N	0.3950	N
11000900	240038	United Hospital c/o Allina Health System	St. Paul	MN	33460	1.0905	N	0.2770	N

State of Wisconsin
Department of Health Services
Division of Medicaid Services
Preliminary Rate Year (RY) 2022 Inpatient Wage Indices and Outlier Cost-to-Charge Ratios (CCRs)
Based on FFY 2021 Medicare Inpatient Prospective Payment System (IPPS) factors

Medicaid ID	Medicare ID	Hospital Name	City	State	FFY 2021 Medicare IPPS Geographic CBSA	Preliminary RY 2022 Wage Index	Imputed Wage Index [1]	Preliminary RY 2022 Outlier CCR	Imputed CCR [2]

Sources:
Preliminary RY 2022 wage indices are based on the wage indices published by CMS in its FFY 2021 Medicare IPPS correction notice, unless imputed.
Preliminary RY 2022 outlier CCRs are based on the sum of the most recently avaialble operating and capital outlier CCRs published by CMS in its May 6, 2021 Provider Specific File, unless imputed.

Notes:
1. Per SPA requirements, for hospitals without wage indices published by CMS in its FFY 2021 Medicare IPPS data, a weighted average wage index was calculated using the wage indices of providers in the
 CBSA the hospital without a wage index is physically located, based on CY 2019 Medicaid APR DRG model claim and encounter paid amounts.
2. Per SPA requirements, for hospitals without an outlier CCR published in the Medicare IPPS provider specific file, the outlier CCR was calculated using model hospital-specific CY 2019 Medicaid APR DRG claims
and encounter data and overlapping Medicare cost report data. For new hospitals, the outlier CCR is based on the sum of statewide operating and capital defaults in the FFY 2021 Medicare IPPS.

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