

Medicaid Advisory Hospital Group



RY 2022 EAPG and DRG Calculator Walk-Through

Division of Medicaid Services

Bureau of Rate Setting

May 16, 2022

Wisconsin Department of Health Services

Agenda

1. Introduction and Welcome
2. EAPG calculator
 - a. Overview of EAPG payments
 - b. EAPG calculator walkthrough and example
 - c. Questions
3. APR DRG calculator
 - a. Overview of APR DRG payments
 - b. DRG calculator walkthrough and example
 - c. Questions





Introductions



Enhanced Ambulatory Patient Groups (EAPGs)

EAPG payment overview and calculator walkthrough

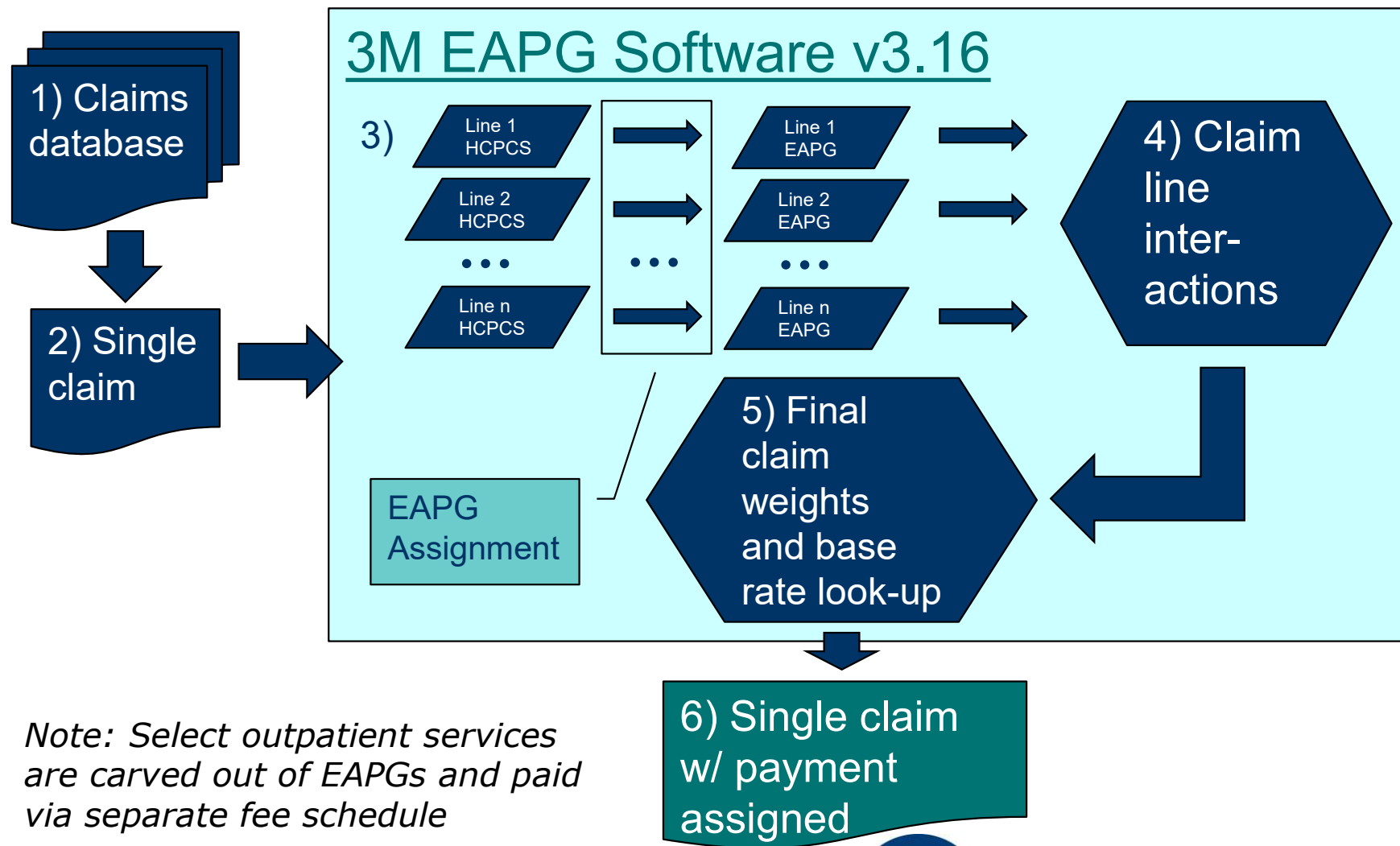
EAPG Payment Overview

- Rate year 2022 outpatient EAPGs based on version 3.16 with normalized national weights¹
- EAPGs assigned on a claim-line basis (i.e., a mapping from HCPCS to EAPGs)
 - Each of the 648 EAPGs corresponds to a relative weight
 - Each EAPG assigned to one of 13 EAPG “Types”
- Claim-line interaction adjudication
 - Multiple significant procedures
 - Repeat ancillary discounting
 - Ancillary procedure packaging

1. See <https://www.forwardhealth.wi.gov/wiportal/content/provider/medicaid/hospital/drg/drg.htm.space> for more information about EAPG weights, base rates and other software and reimbursement information.



EAPG Payment Overview - Flow Chart



EAPG Calculator - Purpose

- ❑ The RY 2022 Wisconsin EAPG Calculator is a dynamic Excel tool intended to demonstrate DHS' Medicaid FFS outpatient EAPG payment methodology
- ❑ The purpose of this tool is to demonstrate an illustrative allowed amount for an example Medicaid outpatient claim under the FFS EAPG payment methodology, based on data inputs entered by the user



EAPG Calculator - Limitations

- ❑ This tool requires 3M™ EAPG grouper output obtained separately (specifically the EAPG assignment and EAPG flag fields), and does not "group" the claim
- ❑ This tool does not reflect adjustments for patient paid amounts, Third Party Liabilities, or negotiated managed care rates
- ❑ This tool does not include pricing for EAPG carveout services
- ❑ This tool is for illustrative, informational purposes only and should not be relied upon to determine the actual claim payment for adjudication
- ❑ Schedule for updating to include new hospitals to be determined



EAPG Calculator - Inputs

- ❑ Screenshot below of input/output worksheet
- ❑ Contains detailed input/output instructions
- ❑ Tool looks up associated weights and base rates per user inputs

Wisconsin Medicaid EAPG Payment Calculator
 Rate Year (RY) 2022; Updated March 16, 2022
 Interactive EAPG Calculator
When using this calculator, the user must specify whether each service is covered and qualifies for EAPG-based payment.

Indicates a value to be input by the user

PROVIDER INFORMATION AND PAYMENT SYSTEM PARAMETERS	
Provider Medicaid ID	<input style="width: 100%;" type="text"/>
Provider Name	<input style="width: 100%;" type="text"/>
Provider Type	<input style="width: 100%;" type="text"/>
EAPG Base Rate	<input style="width: 100%;" type="text"/>
Claim Header Covered EAPG Service Allowed Amount	<input style="width: 100%;" type="text"/>

THIS CALCULATOR IS PROVIDED FOR PURPOSES OF INFORMATION ONLY.

EAPG Information and Payment System Parameters							
Line Number	Is this Service Covered and Paid via EAPG?	Visit ID	EAPG Code (5 Digits)	EAPG Description	EAPG Weight	EAPG Type	Bilateral Adjustment Flag
1							
2							
3							

EAPG Calculator - Input Elements

1. Hospital Medicaid ID:

Provider Medicaid ID	<input type="text"/>
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2. EAPG Service:

(EAPG or "other" type)

Is this Service Covered and Paid via EAPG?
<input type="checkbox"/>
<input type="checkbox"/>

3. Visit ID (unique visits):

(EAPG software output)

Visit ID
<input type="text"/>
<input type="text"/>

4. EAPG code:

(EAPG software output)

EAPG Code (5 Digits)
<input type="text"/>
<input type="text"/>

5. Bilateral Adjustment Flag:

(EAPG software output)

Bilateral Adjustment Flag
<input type="checkbox"/>
<input type="checkbox"/>



EAPG Calculator - Intermediate Calculations

1. Informational data:

- a. EAPG description
- b. EAPG type

EAPG Description	EAPG Weight	EAPG Type
	-	4
MINOR SPECIMEN COLLECTION SERVICES	-	4
ORGAN OR DISEASE ORIENTED PANELS	0.2008	4
LEVEL I CONVENTIONAL RADIOLOGY	0.2008	4

2. Payment data:

- a. EAPG weight
- b. Payment adjustment factors
 - i. Bilateral adjustment
 - ii. Multiple significant procedure adjustment
 - iii. Repeat ancillary procedure adjustment
 - iv. Procedure packaging adjustment

EAPG Packaging and Discounting Adjustments			
Bilateral Adjustment	Multiple Significant Procedure Adjustment	Repeat Ancillary Procedure Adjustment	Procedure Packaging Adjustment
1.00	1.00	1.00	0.00
1.00	1.00	1.00	0.00
1.00	1.00	1.00	0.00
1.00	1.00	0.50	0.00
1.00	1.00	1.00	1.00



EAPG Calculator - Claim Payment

1. Line-by-line EAPG payments before adjustments
2. Line-by-line aggregate adjustment impacts (payment percentage)
3. Line-by-line final (adjusted) payments
4. Claim allowed amount

EAPG Payment Calculation		
Preliminary Allowed	Payment Percentage	Final EAPG Allowed
Header total EAPG service allowed:		\$132.91
EAPG Base Rate	\$91.84	\$0.00
Claim Header Covered EAPG Service Allowed Amount	\$132.91	\$0.00
\$16.44	0%	\$0.00
\$132.91	100%	\$132.91
\$8.50	0%	\$0.00



EAPG Calculator - Example

Calculator Example





EAPG calculator-related questions?



All Payer Refined Diagnosis Related Groups (APR DRGs)

APR DRG payment overview and calculator walkthrough

APR DRG Payment Overview

- ❑ Rate year 2022 APR DRG version 38 with normalized national weights¹
- ❑ An APR DRG and severity of illness (SOI) level is assigned to each admission
 - DRG is based on diagnoses codes, procedure codes, and other patient characteristics to assign DRG
 - SOI is based on secondary diagnoses and procedures
- ❑ Payments modified by outlier policy in the case of high-cost claims¹

1. See <https://www.forwardhealth.wi.gov/wiportal/content/provider/medicaid/hospital/drg/drg.htm.space> for more information about APR DRG weights, base rates and other software and reimbursement information.



DRG Calculator - Purpose

- ❑ The RY 2022 Wisconsin DRG Calculator is a dynamic Excel tool intended to demonstrate DHS' Medicaid FFS inpatient APR DRG payment methodology
- ❑ The purpose of this tool is to demonstrate an illustrative allowed amount for an example Medicaid inpatient claim under the FFS APR DRG payment methodology, based on data inputs entered by the user



DRG Calculator - Limitations

- ❑ This tool requires 3M™ APR DRG grouper output obtained separately (specifically the APR DRG and Severity of Illness level assignment), and does not "group" the claim
- ❑ This tool does not reflect adjustments for negotiated managed care rates
- ❑ This tool does not include pricing for APR DRG carveout services (for example, excludes per diem pricing)
- ❑ This tool is for illustrative, informational purposes only and should not be relied upon to determine the actual claim payment for adjudication
- ❑ Schedule for updating to include new hospitals to be determined



DRG Calculator - Overview

Model inputs:

Information	Data
INFORMATION FROM THE HOSPITAL	
Submitted charges	
Length of stay	
Was patient transferred: discharge status = 02, 05, 65, 66, 82, 85, 93, or 94?	
Patient age (in years)	
Other health coverage	
Medicaid copayment	
Provider Medicaid ID	
APR DRG Code	

Model output (including *paid* dollars):

CALCULATION OF ALLOWED AMOUNT AND PAID AMOUNT, WITHOUT P4P OR ASSESSMENT	
Allowed amount	
Other health coverage	
Medicaid copayment	
Calculated payment amount	
Submitted charges	
Charge cap policy: charges less than calculated payment?	
Paid amount without P4P or access payment adjustments	



DRG Calculator - Example

Calculator Example





DRG calculator-related questions?

Questions

All questions can be sent by email to:
DHSDMSBRS@dhs.Wisconsin.gov



Caveats and Limitations

The services provided for this project were performed under the signed contract between Milliman and the Wisconsin Department of Health Services (DHS) effective February 3, 2021. The calculators shared on DHS's ForwardHealth portal are intended to be a demonstration of Medicaid pricing. These calculators may not capture all the editing and pricing complexity of the Wisconsin Medicaid Management Information System. In the event differences between the actual Medicaid FFS claims payment and the results of this tool, the actual claim payment should be considered final.

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