Medicaid Advisory Hospital Group

Division of Medicaid Services

Bureau of Rate Setting

October 11, 2024

Wisconsin Department of Health Services

Agenda

1. Introduction and Welcome
2. Rate Year 2025 Hospital Payment Updates
3. Upcoming EAPG 4.0
4. Access Payment Updates
5. Potentially Preventable Readmissions
6. Other P4P programs
7. Supplemental Payments
8. Additional Updates
9. Questions

Introductions

Rate Year 2025 Hospital Payment Updates

Rate Year (RY) 2025 Updates

- Update to newer inpatient and outpatient grouper versions (for more details on grouper version changes, refer to the 6/11/2024 MAHG presentation)
- Routine annual updates to the hospital base rates:
  - Inflation increases to acute hospital base rates (3.13%), new wage indices, and GME add-ons
  - New cost-based rates for inpatient per diem hospitals and Critical Access Hospitals
- Hospital-specific rate sheets are available on the ForwardHealth portal for review

RY 2025 Data & Model Sources

- *DHS:*
  - RY 2025 model claims data based on federal fiscal year (FFY) 2023 Medicaid hospital fee-for-service (FFS) and managed care encounter data, from the May 2024 Medicaid Management Information System (MMIS) extract
- *CMS:*
  - Medicare cost report data (generally hospital FYE 2022 or 2023) based on the 3/31/2024 HCRIS database release
  - FFY 2024 Medicare IPPS wage indices and outlier cost-to-charge ratios (CCRs) (1)
  - Hospital market basket inflation data released July 2024
- *3M/Solventum:*
  - APR DRG v41.0 output & national weights (updated from v40.1)
  - EAPG v3.1824 output & national weights (updated from v3.18)

Note: (1) For modeling RY 2025 inpatient outlier payments, Wisconsin Medicaid RY 2022 or RY 2023 outlier CCRs were applied to FFY 2023 claims to align CCRs to charges based on claim dates of service.

APR DRG v41.0 Weight Normalization

- Rate Year 2025 APR DRG weight normalization factor calculation applied to 3M's APR DRG v41.0 traditional national weights:

	Modeled RY 2024 v40.1 (Normalized)	Modeled RY 2025 v41.0 (Unnormalized)	Modeled RY 2025 v41.0 (Normalized)
Normalization factor	1.1684	1.0000	1.1828
Modeled case mix using FFY 2023 data*	1.0159	0.8588	1.0158

Normalization calculation note: Factors based on FFY 2023 FFS claims and HMO encounters paid under APR DRGs for non-Critical Access Hospitals (CAHs), excluding transfer-adjusted payment claims, extracted from the MMIS in May 2024.

** Aggregate case mix does not tie exactly across v40.1 and v41.0 because transfer claims were excluded from the development of the scaling factor.*

Other RY 2025 APR DRG Updates

Component	DHS Approach
DRG base rate inflation	▪ Applied a one-year inflation factor of **1.0313** to the RY 2024 standardized amount based on changes in CMS market basket index levels
DRG base rate wage index adjustments	▪ Updated to FFY 2024 Medicare IPPS correction notice, with proxies for Medicare IPPS-exempt hospitals based on the county weighted average wage index
DRG base rate GME add-ons	▪ Updated GME add-ons based on most recently available Medicare cost report data from 3/31/2024 HCRIS extract
Outlier payment parameters	▪ Updated to FFY 2024 Medicare IPPS outlier cost-to-charge ratios (CCRs) based on CMS' provider-specific file, and Medicaid-specific costs for Medicare IPPS exempt hospitals ▪ No other outlier parameter changes
DRG policy adjusters	▪ Consistent with RY 2024, applied adjuster of **1.8** to inpatient claims with Behavioral Health (BH) DRGs at acute hospitals with DHS "61.71 certified" BH units

RY 2025 Inpatient Policy Adjusters

Policy Adjuster	Claim Identification Basis	Factor
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
BH service-unit	DRG and BH unit	1.80

Note: Only the highest policy adjuster factor is applied to each claim for payment (for claims that qualify for multiple policy adjusters)

RY 2025 Inpatient Outlier Parameters

- Outlier payment methodology is unchanged

Criteria	RY24 Outlier Values	RY25 Outlier Values
Critical Access Hospitals	$300	$300
In-State, <100 Beds	$46,587	$46,587
In-State, ≥100 Beds & Border Providers	$46,587	$46,587
Severity of Illness 1 or 2 Marginal Percentage	80%	80%
Severity of Illness 3 or 4 Marginal Percentage	95%	95%

EAPG v3.1824 Weight Normalization

- RY 2025 EAPG weight scaling and normalization factor calculation applied to 3M's EAPG v3.1824 national weights:

	Modeled RY 2024 v3.18 (Normalized)	Modeled RY 2025 v3.1824 (with 2.0 Adjustment)	Modeled RY 2025 v3.1824 (Normalized)
Normalization factor	2.0 x 1.0819 = 2.1638	2.0	2.0 x 1.0705= 2.1410
Modeled case mix using FFY 2023 data*	1.8972	1.7721	1.8971

Normalization calculation note: Factors based on FFY 2023 outpatient FFS claims and HMO encounters paid under EAPGs for non-CAHs, extracted from the MMIS in May 2024. DHS' EAPG national weight normalization has traditionally been calculated by multiplying 2.0 by an additional factor.

** Aggregate case mix will not tie exactly due to rounding.*

Acute Hospital RY 2025 EAPG Updates

Component	DHS Approach
EAPG base rate inflation	▪ Applied a one-year inflation factor of **1.0313** to the standardized amount based on changes in CMS market basket index levels
EAPG base rate GME add-ons	▪ Update based on most recently available Medicare cost report data from 3/31/2024 HCRIS extract

RY 2025 Cost-based Rates

- DHS updated cost-based rates using FFY 2023 FFS claims and HMO encounter data and the most recent Medicare cost report data (generally hospital FYEs 2022 or 2023)
  - Critical Access Hospital DRG base rates
  - Critical Access Hospital EAPG base rates
  - Per diem rates
    - Psychiatric Hospitals
    - Long Term Acute Care Hospitals
    - Rehabilitation Hospitals
  - Psychiatric Hospital EAPG base rates
  - Department of Corrections CCR
- RY 2025 calculations move the base data forward by 12 months from FFY 2022 to FFY 2023

RY 2025 Cost-based Rate SPA Updates

- DHS is proposing a Medicaid State Plan Amendment (SPA) related to cost-based per diem rate calculations.
- Proposed updates include the application of provider default rates based on the statewide median rate instead of the statewide mean rate for hospitals without sufficient model data to calculate a provider-specific rate (not applicable to new psychiatric "start up period" hospitals).
- Proposed updates also include changes for the new psychiatric hospital "start up period":
  - Start-up period ends once a Medicare cost report with at least a **six month** reporting period is available in HCRIS at the time of rate calculations (currently requires a 12-month cost report)
  - Start-up period interim payment settlements to occur on a rolling basis as cost report data becomes available in HCRIS (as opposed to the end of the start-up period)
  - If the startup period for a new psychiatric hospital includes a period not covered by the Medicare cost report submitted to CMS, the hospital will submit cost report data covering that period directly to DHS with sufficient detail to calculate the reimbursement settlement.

Ventilator and Brain Injury Rates

- DHS has updated carve-out rates listed in §7900 of State Plan Attachment 4.19-A to account for inflation
- Rates will be inflated annually going forward
- RY 2025 rates:
  - Ventilator-dependent member: $1,662 per diem
  - Brain-injury care: $2,319 per diem

Outpatient Dental Payment

- 2019 WI Act 9, §9119(9) appropriated $1.5 million a year to increase reimbursement rates for dental services provided to recipients of Medical Assistance who have disabilities
- DHS has provided enhanced payments for outpatient dental services where deep sedation/anesthesia is provided with a per visit add-on of **$700** (in addition to the EAPG payment) since 1/1/2023
  - Applicable to outpatient visits with CPT code 41899 (Other Procedures on the Dentoalveolar Structures) and U2 modifier (specified in SPA section 4.19B section 4260)
  - Enhanced payment for these services will be subject to prior authorization and post-payment review
- Based on review of actual utilization paid under this add-on, DHS proposes to increase this add-on to **$1,075** for RY 2025 to align with the annual funding target

Inpatient Payment Model Totals

Provider Type	RY24 Simulated Claim-Based Payments	RY25 Simulated Claim-Based Payments	Estimated Payment Change	RY 2025 Notes
Acute Hospitals	$1,110.0M	$1,121.4M	$11.4M	▪ Increase from inflation adjustment to base rates and GME changes
Critical Access Hospitals	63.6M	62.2M	(1.5M)	▪ DRG base rates based on 100% of estimated RY25 claims cost ▪ CAHs have a year-over-year aggregate cost increase, but reduction in case mix adjusted average cost per discharge
Psychiatric Hospitals	87.3M	100.6M	13.3M	▪ Per diem rates based on 85.08% of estimated RY25 claims cost (state-owned based on 100%) ▪ Excludes psychiatric "start-up period" hospitals (subject to RY 2024 settlement)
Rehabilitation Hospitals	7.8M	7.6M	(0.2M)	▪ Per diem rates based on 85.08% of estimated RY25 claims cost
Long Term Acute Care (LTAC) Hospitals	12.7M	14.1M	1.3M	▪ Per diem rates based on 85.08% of estimated RY25 claims cost
Total Claim-Based Payments	**$1,281.6M**	**$1,305.9M**	**$24.3M**	▪ 1.9% aggregate increase

Notes: *1. Modeled based on FFY 2023 claims data.*
2. Non-CAH base rates include a GME add-on (using the same methodology as prior years).
3. Includes out-of-state major border hospitals.
4. All totals rounded to nearest $100,000 and populated from Appendix A.

RY 2025 Inpatient Rate Exhibits

Report Appendix A

- Acute Care Hospital DRG Base Rates
- Critical Access Hospital DRG Base Rates
- Per Diem Rates (Psychiatric, Rehabilitation, and LTAC)
- APR DRG version 41.0 weights

Outpatient Payment Model Totals

Provider Type	RY24 Simulated Claim-Based Payments	RY25 Simulated Claim-Based Payments	Estimated Payment Change	RY 2025 Notes
Acute Hospitals	$368.2M	$381.4M	$13.2M	▪ Includes EAPG services (excludes Max Fee services and dental add-on)
Critical Access Hospitals	176.8M	184.8M	8.0M	▪ EAPG base rates based on 100% of estimated RY25 claims cost ▪ CAHs have a year-over-year aggregate cost increase, and a stable case mix adjusted average cost per visit
Psychiatric Hospitals	1.1M	1.3M	0.2M	▪ EAPG base rates based on 85.08% of estimated RY25 claims cost (state-owned based on 100%) ▪ Excludes psychiatric "start-up period" hospitals (subject to RY 2024 settlement)
Rehabilitation Hospitals	0.5M	0.5M	0.0M	▪ Same EAPG base rate as acute
LTAC Hospitals	0.0M	0.0M	0.0M	▪ N/A
Total Claim-Based Payments	**$546.6M**	**$568.0M**	**$21.4M**	▪ 3.9% aggregate increase

Notes: *1. Modeled based on FFY 2023 claims data.*
2. Non-CAH base rates include a GME add-on (using the same methodology as prior years).
3. Includes out-of-state major border hospitals.
4. All totals rounded to nearest $100,000 and populated from Appendix B.

RY 2025 Outpatient Rate Exhibits

Report Appendix B

- Acute and Rehabilitation Hospital EAPG Base Rates (non-CAHs)
- Critical Access Hospital EAPG Base Rates
- Psychiatric Hospital EAPG Base Rates
- EAPG v3.1824 Weights

Inpatient and Outpatient Combined

Provider Type	RY 2025 Simulated Payments With Net Access Payments[1]	RY 2025 Estimated Costs (With Medicaid Assessment Portion)[2]	RY 2025 Estimated Pay-to-Cost Ratio
Acute Hospitals	$2,100.3M	$2,890.7M	72.7%
Critical Access Hospitals	$257.0M	$247.7M	103.7%
Psychiatric Hospitals	$101.9M	$115.5M	88.2%
Rehabilitation Hospitals	$7.6M	$8.9M	85.7%
LTAC Hospitals	$14.3M	$17.2M	83.5%
Total Payments With Access	**$2,481.2M**	**$3,279.9M**	**75.6%**
Non-Access Supplemental Payments[3]	**$226.4M**	**$0.0M**	**N/A**
Total With Supplemental Payments	**$2,707.5M**	**$3,279.9M**	**82.5%**

Notes:

1. Excludes out-of-state hospitals, includes data from the DHS' SFY 2023 Access payment reconciliation.

2. Estimated costs are calculated at the claim detail line level using FFY 2023 Medicaid claims data and Medicare cost report data with matching reporting periods. Cost report cost centers were merged to Medicaid claims data using DHS' standard revenue code crosswalk. Estimated costs include the Medicaid portion of SFY 2025 assessments.

3. Includes DSH, CCS, GME, and other supplemental payments

2025 Rates – Next Steps

- Rate sheets are available today on the ForwardHealth Portal
- Providers have 60 days to appeal their inpatient or outpatient rates
- Appeal criteria are listed in §12200 of the Inpatient Hospital State Plan and §6200 of the Outpatient Hospital State Plan
- Randy McElhose is the contact for rate documentation questions
  - Email:Randy.McElhose@dhs.wisconsin.gov

Upcoming EAPG 4.0

Upcoming EAPG 4.0

3M/Solventum are in the process of redesigning the EAPG grouper system and payment methodology under the redesigned **EAPG 4.0** to be released in **April 2025**

- Improves alignment of 3M/Solventum reimbursement and patient classification methodologies between inpatient and outpatient settings
- Creates extended emergency department and observation EAPGs, along with other new EAPGs for per diem behavior health services
- Changes significant procedure consolidations, EAPG drug groups, visit and claim type hierarchy, and adds claim type service lines

Upcoming EAPG 4.0

Implementation of EAPG 4.0 may represent a major change to outpatient classifications and discounting logic and will not occur earlier than **RY 2026**

- DHS is carefully evaluating the impact of EAPG 4.0 as more information is released
- DHS plans to provide additional information as information is published by 3M/Solventum (no EAPG 4.0 classification lists or national weights are currently available)

Access Payment Updates

SFY 2025 Hospital Assessment

- Hospital assessments are used to fund the Wisconsin hospital Access payment program, increasing funding for hospitals providing Medicaid services
- SFY 2025 hospital assessment rates and amounts are posted to the ForwardHealth Web portal at https://www.forwardhealth.wi.gov/WIPortal/content/provider/medicaid/hospital/resources_01.htm.spage
- The first quarter hospital assessment payment was due to DHS on September 30, 2024

SFY 2025 Access Payment Add-ons

- For SFY 2025 Access payments, DHS used a "ground up" approach to estimate the FFS vs. HMO Access pools based on estimated composite Access add-on rates that are the same for FFS and HMO:
  - Assumed 55% inpatient / 45% outpatient Access payment allocation (same as SFY 2024)
  - For each provider class, estimated composite Access rates for inpatient/outpatient based on the inpatient /outpatient Access pool divided by estimated inpatient /outpatient utilization (for FFS and HMO combined)
  - Applied composite Access rates to the FFS vs. HMO estimated utilization to determine the FFS vs. HMO Access pools; resulted in a slight shift towards FFS for non-CAHs compared to SFY 2024
- SFY 2025 **FFS** Access rates (based on the composite rate calculation) will be retroactively implemented back to **July 1, 2024**
- CY 2025 **HMO** Access payments will become effective **January 1, 2025**, made by DHS via capitation rate add-ons
  - HMO per admission/visit add-ons paid to hospitals are determined each month based on actual utilization and each HMO's add-on

SFY 2025 Access Payment Update

SFY 2025 Target Access Payments:

Provider Type	Acute, LTAC, and Rehab Hospitals(1)	CAHs(2)
SFY 2025 Total Assessments	**$414,507,300**	**$4,679,960**
SFY 2025 Total Access Payments	**$672,028,696**	**$7,587,484**
IP Pool (55% of total funding)	$369,615,783	$4,173,116
OP Pool (45% of total funding)	$302,412,913	$3,414,368
SFY 2025 Estimated FFS vs. HMO Access Payments(3)		
Total Estimated FFS Access Payments	$183,131,369	$1,773,702
Total Estimated HMO Access Payments	$488,897,327	$5,813,782

Notes:

(1) For the Acute, LTAC and Rehab hospital SFY 2025 Access payment target, 27% is FFS and 73% is managed care.

(2) For the CAH Access payment target, 23% is FFS and 77% is managed care.

(3) Actual SFY 2025 FFS vs. HMO Access payments will depend on SFY 2025 managed care enrollment and FFS claim utilization.

SFY 2025 Access Payment Add-ons

- SFY 2025 **FFS** Access payment add-ons for **Acute, Rehabilitation, and LTAC Hospitals** are:
  - **$4,580** per inpatient admission
  - **$240** per outpatient visit
- SFY 2025 **FFS** Access payment add-ons for **CAHs** are:
  - **$755** per inpatient admission
  - **$13** per outpatient visit

SFY 2025 Access Payment Update

- FFS access payment add-ons will begin paying out FFS access payments by October 18, 2024
  - Adjustment process to begin shortly after
- HMO January/February Payment Reminder
  - HMO Access payments will not occur in January
  - Both January and February HMO Access payments will occur in February

SFY 2024 Access Payment Update

- Fee-For-Service (FFS) claims "shut-off" occurred September 18, 2024
  - FFS claims submitted after September 18, 2024 for SFY 2024 dates of service did not have an access payment applied
- SFY 2024 reconciliation process has begun
  - Reconciliation process set to complete by December 1, 2024
  - Hospital Assessment Report estimated timeline of January 2025

Changes to Access Payment Mechanism

- Effective October 11, 2024, FFS access payments will appear as a separate transaction on the remittance advice, rather than a claim add-on.
- Payments will continue to be based on claims volume (one access payment per qualifying claim, consolidated into a single transaction).

Changes to Access Payment Mechanism

- Access payments will no longer be recouped if a claim adjustment leads to recoupment of the claim payment (exception: provider voids)
- A new report will be available on the ForwardHealth Portal showing access payment-eligible claims.
- For more information, see a ForwardHealth Update describing the changes will be published this week

Potentially Preventable Readmissions (PPRs)

Measurement Year (MY) 2023 PPRs

- MY 2023 PPR results were posted to the ForwardHealth Portal on Tuesday, October 8
- Hospitals have until Tuesday, October 22 to review
  - If you have any questions or concerns regarding the results, contact Alicia Koos
    - Email: alicia.koos@dhs.wisconsin.gov
- Payments will occur by October 31, 2024 pending hospital review

MY 2023 Readmission Rates

- Measurement Year (MY) 2023 final readmission results based on PPR grouper output have been calculated for each hospital
- MY 2024 Q2 readmission results have also been calculated and distributed
  - MY 2024 preliminary results are subject to change based on the next quarterly MMIS extract and do not represent the final PPR analyses and withholding impacts for MY 2024

Statewide Readmission Rates - FFS

FFS Amount	Final MY 2020	Final MY 2021	Final MY 2022	Final MY 2023
Readmission Rate	7.73%	8.11%	7.34%	7.40%
Full benchmark (100%)	7.25%	7.66%	7.74%	7.73%
Actual to Full Benchmark ratio	**1.066**	**1.060**	**0.948**	**0.957**
Target benchmark (92.5%)	6.71%	7.08%	7.16%	7.15%
Actual to Target Benchmark ratio	**1.153**	**1.146**	**1.025**	**1.035**

DHS' MY 2023 Hospital P4P guide listed a MY 2023 Goal Rate of **6.79%**

Sources:

Final MY 2020: Milliman September 8, 2021 report "Hospital Measurement Year 2020 Final Readmissions Results"
Final MY 2021: Milliman September 20, 2022 report "Hospital Measurement Year 2021 Final Readmissions Results"
Final MY 2022: Milliman September 27, 2023 report "Hospital Measurement Year 2022 Final Readmissions Results"
Final MY 2023: Milliman September 20, 2024 report "Hospital Measurement Year 2023 Final Readmissions Results"

Statewide Readmission Rates - HMO

HMO Amount	Final MY 2020	Final MY 2021	Final MY 2022	Final MY 2023
Badger Care Plus Readmission Rate	4.32%	4.45%	4.45%	4.79%
SSI Readmission Rate	11.58%	10.73%	12.10%	12.47%

Sources:

Final MY 2020: Milliman September 8, 2021 report "Hospital Measurement Year 2020 Final Readmissions Results"

Final MY 2021: Milliman September 20, 2022 report "Hospital Measurement Year 2021 Final Readmissions Results"

Final MY 2022: Milliman September 27, 2023 report "Hospital Measurement Year 2022 Final Readmissions Results"

Final MY 2023: Milliman September 20, 2024 report "Hospital Measurement Year 2023 Final Readmissions Results"

PPR Dashboard Access Process

- Milliman maintains an online PPR dashboard using PowerBI
- Interactive dashboard contains:
  - MY 2019 Final (with 2017 benchmark)
  - MY 2020 Final (with 2018 benchmark)
  - MY 2021 Final (with 2019 benchmark)
  - MY 2022 Final (with 2020 benchmark)
  - MY 2023 Final (with 2021 benchmark)
  - MY 2024 Q2 (with 2022 benchmark)

PPR Dashboard Access Process

1. Submit request via email to DHS at **DHSDMSBRS@dhs.Wisconsin.gov** and provide:
   - Name
   - Organization Name
   - *Hospital only:* Requested hospital name(s) and MA ID#
   - Email Address
   - Phone Number
2. Once approved by DHS, Milliman will provide a temporary password via email (see User Guide)
3. PPR dashboard can be accessed at **https://app.powerbi.com/** (see User Guide)
4. Users must review and accept the user agreement

Other P4P Programs

MY 2023 Assessment P4P Program

- MY 2023 Assessment P4P results were posted to the ForwardHealth Portal on Tuesday, October 8
- Hospitals have until Tuesday, October 22, 2024 to review
  - If you have any questions or concerns regarding the results, contact Alicia Koos
    - Email: alicia.koos@dhs.wisconsin.gov
- Payments will occur by October 31, 2024 pending hospital review

Wisconsin Department of Health Services

MY 2024 HIE P4P Program

- Performance metrics based upon 'Live' participation status in interfaces
- Participating interfaces:
  - Admission, Discharge, and Transfer (ADT)
  - Consolidation Clinical Document Architecture (CCDA)
  - Lab/Pathology/Radiology
    - Must meet all 3 to be eligible
- Deadline for participation status: December 31, 2024

MY 2024 HIE P4P Funding

- Payments are based upon projected CY2024 Medicaid FFS claims and HMO Encounter volumes for both Inpatient and Outpatient claims
  - Minimum of $15,000 per interface
  - Maximum of $40,000 per interface
- The MY2024 program year will be the final year of the incentive-only program
  - All hospitals are expected to be information sharing by the end of this program year

MY 2024 HIE P4P Results

- Final payment results will be available in early March 2025
  - Hospitals will have two full weeks to review
- Payments will occur by March 31, 2025
- If you have any questions, contact Alicia Koos
  - Email: alicia.koos@dhs.wisconsin.gov

Wisconsin Department of Health Services

MY 2025 HIE P4P Program

- Beginning 1/1/2025, a 1.5% withhold will apply to all IP and OP FFS claims for most hospitals
  - This withhold is in addition to the current 3% Potentially Preventable Readmissions Program withhold
  - Psych hospitals will have a 1% withhold applied
- Hospitals with a "Live" status will receive their withheld funding per each interface
  - Admission, Discharge, and Transfer (ADT)
  - Consolidation Clinical Document Architecture (CCDA)
  - Lab/Pathology/Radiology
    - Must meet all 3 to be eligible
    - Not required for psych hospitals

MY 2025 HIE P4P Program (Cont.)

- Hospitals with a "Live" status in all three interfaces during MY2025 will earn an incentive payment
  - Incentive pool is derived from remaining withheld funds
  - Psychiatric hospitals must obtain a "Live" status in two interfaces (ADT and CCDA)
- Deadline for participation status: December 31, 2025
- Hospitals are encouraged to contact WISHIN by July 1, 2025 to ensure compliance
- MY2025 program results and payments will be available in Fall 2026

Hospital Supplemental Payments

- **SFY25 Disproportionate Share Hospital (DSH) and Rural Critical Care Supplement (CCS) Payments**
  - Supplemental (“Big”) DSH payments are made on a quarterly basis to qualifying providers. Q1 and Q2 payments will be made together by mid-December
  - Effective SFY2025, only in-state Wisconsin hospitals will be eligible for standard ("Little") DSH payments
- **SFY21 Examination/Audit**
  - Payment exceeding hospital DSH limit will be recouped and reallocated to other qualifying hospitals in early spring 2025
- **DSH SFY26 Estimates and SFY22 Exam/Audit**
  - Entrance conference/educational session early 2024

Additional Updates

Graduate Medical Education (GME) Grant Opportunities

- **GME Program Development Grant**
  - **Purpose:** Assist hospitals in developing accredited GME programs in medical specialties in rural and underserved areas of Wisconsin
  - Grants may also be used to establish new fellowship programs or to develop rural tracks
  - **Grant period**: Up to five years (*increased from three years per last biennial budget*)
  - **Funding:** Up to $1,000,000
  - Annual DHS Request for Applications (RFA) released in February

Graduate Medical Education (GME) Grant Opportunities

- **GME Residency Expansion Grant**
  - **Purpose:** Expand residency positions in existing GME programs.
  - Priority specialties include primary care, general surgery and psychiatry. Other specialties may also be considered.
  - **Grant period**: Length of residency or fellowship, dependent on proposal
  - **Funding:** Up to $150,000 per new resident position with a maximum of five full time grant funded positions at any one time
    - *Per residency max increased from $75,000 per biennial budget*
  - Annual DHS Request for Applications (RFA) released in July

Qualified Treatment Trainee Policy

- ForwardHealth has published new policy around qualified treatment trainee (QTT) services, effective August 1, 2024.
- QTT policy has been clarified, and the allowable settings for QTT services have been expanded to include FQHCs and hospitals.
- See ForwardHealth Update 2024-22 for the complete updated policy, which replaces all previous QTT policy.

New: Intensive Outpatient Program

- Beginning in 2025, Medicaid will cover intensive outpatient programs (IOP) for addiction education and treatment.
- Providers may begin enrolling under the IOP specialty in November, 2024.
- Full policy will be published in a forthcoming ForwardHealth Update.

Additional Resources

- The Rates & Weights Page will be updated for RY 2025 after rates are finalized.
- APR-DRG and EAPG calculators for RY 2025 will be posted on the FH Portal by EOY.
  - Past years' EAPG and APR-DRG calculators remain available.
- APR-DRG assignment tool and APR-DRG and EAPG manuals are always available to Wisconsin providers at https://www.aprdrgassign.com
  - Email DHSDMSBRS@dhs.wisconsin.gov for a registration code.

Questions

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

Wisconsin
Department of Health Services

Caveats and Limitations

The terms of Milliman's contract #435400-O21-0818RATESET-00 with DHS apply to this presentation and its use. The results shown in these analyses are for discussion purposes and represent DHS' proposed rate year (RY) 2025 model rates, weights, and factors. Final RY 2025 hospital rates are subject to change based on public notice, final DHS policy decisions, and CMS approval.

The information contained in this presentation has been prepared solely for the business use of DHS and related Divisions for a hospital stakeholder workgroup meeting presentation on October 9, 2024, and is not appropriate for other purposes. We understand this presentation will be shared with Wisconsin Medicaid hospital stakeholders. This presentation must not be shared with other third parties without Milliman's prior consent. To the extent that the information contained in this presentation 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 presentation to third parties. Likewise, third parties are instructed that they are to place no reliance upon this presentation 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.

In performing the preliminary analysis supporting this presentation, we relied on data and other information provided by DHS, CMS, DHS' MMIS vendor Gainwell, and DSS vendor SAS. We have not audited or verified this data and other information. If the underlying data or information is inaccurate or incomplete, the results of our analysis used for this presentation may likewise be inaccurate or incomplete.

Milliman has developed certain models to estimate the values included in this presentation. We have reviewed the models, including their inputs, calculations, and outputs for consistency, reasonableness, and appropriateness to the intended purpose.

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