Medicaid Advisory Hospital Group

Wisconsin Department of Health Services
Division of Medicaid Services

Bureau of Fiscal Management
October 25, 2017

Agenda

1. Introduction and Welcome
2. Potentially Preventable Readmissions Update
3. Hospital Payment Rate Year (Calendar Year) 2018 Updates
4. Access Payment Updates
5. Opportunities for Public Comment on Agenda Items
6. Adjournment

Potentially Preventable Readmissions (PPR) Update

Hospital (Fee-for-Service) PPR Overview

- Timeline
  - The hospital PPR policy will be implemented with a January 1, 2018 start date, along with the Assessment P4P program
  - Hospitals will be evaluated based on their performance over January 1, 2018 – December 31, 2018. This performance measurement year will be compared to the benchmark year: Federal Fiscal Year 2016 (October 1, 2015 – September 30, 2016).
  - Results will be measured summer of 2019 (allowing for claims runout), with payments made to hospitals by September 30, 2019. This is consistent with the timeframe under the previous Withhold P4P program.
- Performance Calculations
  - Benchmark and Performance year data for the Hospital fee-for-service PPR program will be calculated separately using <u>only</u> fee-for-service data. Encounter data will be used to measure the performance of HMOs under the HMO PPR program.
  - The Hospital PPR program will be funded with a 5 percent withhold on inpatient fee-for-service claims.
  - Excluded providers will <u>not</u> be subject to the 5 percent withhold and will not be eligible for penalties or incentives
    - Providers paid on a per-diem basis in RY18: LTAC, Psych, Rehab
    - Providers with fewer than 25 qualifying admissions using a two year average (Initial Admissions + Only Admissions = Qualifying Admissions)

Potentially Preventable Readmissions (PPR) Update

- Providers will receive incentive payments or penalties on the basis of how their count of Measurement Year 2018 Initial Admissions (Example: item F on SFY15 data PDF report) compares to their Benchmark Initial Admissions, at an 85 percent level (Example: item L on SFY15 data PDF report multiplied by 0.85)

	II. Readmission Summary		
	E) Admissions with no Readmissions:	500	
"observed"	F) Initial Admissions (PPR Chains):	100	*(Numerator)*
	G) Associated Readmissions:	150	
	H) Qualifying Admissions (D - G):	600	*(Denominator)*
	I) Readmission Rate (F ÷ H)	16.67%	
	J) Total Readmission Payments:	$500,000	
	K) Average Readmission Chain Payment (J ÷ F):	$5,000	
	III. Readmission Benchmark		
"expected"	L) Benchmark PPR Chains:	105.0	*A value less than 1.0 is below the statewide, risk-adjusted ratio whi value greater than 1.0 is above th statewide, risk-adjusted ratio.*
	M) Benchmark Readmission Rate:	17.50%	
	N) Actual to Benchmark Ratio (I ÷ M):	0.95	
	O) Benchmark Improvement Goal, Percent of Average Statewide Readmissions:	100%	*(Preliminary and subject to change)*
	P) Benchmark Calculated Readmission Rate (L x O):	105.0	
	Q) Excess Readmission Chains to Benchmark (F - L):	0.0	*(Value cannot be negative)*
	R) Value of Excess Benchmark Readmissions (Q x K):	$0	

Potentially Preventable Readmissions (PPR) Update

Hospital (Fee-for-Service) PPR Overview, Continued

- Next Steps
  - DHS will hold a conference call with quality staff in November to review the PPR methodology and broader 2018 P4P program, including Assessment P4P measures. This will include a walkthrough of PPR benchmarking and adjustments.
  - DHS will share Federal Fiscal Year 2016 data in early November prior to the conference call
    - PPR Chains
    - PDF Summary Reports
    - PPR Calculation Spreadsheet with FFY16 data for benchmarks and performance. The performance data will ultimately be replaced with CY18 performance data.
    - DHS will split out fee-for-service and HMO encounter data on the updated reports. Previous reports combined the two data sets.
  - As with the SFY2015 data, FFY16 data will be shared via the portal.
    - Portal Help Desk Phone Number: 866-908-1363
  - DHS will provide a finalized 2018 P4P guide following the conference call
  - Please email any questions you'd like addressed in the conference call to Benjamin.Nerad@wi.gov

Potentially Preventable Readmissions (PPR) Update

HMO PPR Overview

- Medicaid HMOs will be subject to a PPR performance measure. The measurement year is the same as Hospital/FFS: January 1 – December 31, 2018
- HMOs will be eligible for incentive dollars based on their measured PPR performance – that is, a measurement of PPRs at the hospitals from which their members are discharged
- HMOs earning any incentive will be required to share a majority of it with the hospital and non-hospital providers they work with to reduce PPRs
- DHS anticipates that HMOs and Hospitals will partner on readmissions reduction efforts, and will be providing both HMOs and Hospitals with PPR data to assist in their efforts

Dashboard SFY 2017

- State Fiscal Year 2017 Dashboards (July 1, 2016 – June 30, 2017)
- Inpatient:
  - Dashboard includes transition period to APR DRG starting January 1, 2017 (Q3)
  - Overall outlier payments are approximately 50% of MS-DRG methodology
  - A slight increase in overall payment relative to MS-DRG quarters is noticed; however, RY17 (Q3 and Q4) have an inflated budget period with reinvestment

	MS-DRG		APR DRG	
SF'17	Q1	Q2	Q3	Q4
Total Base	$ 60,405,122	$ 61,222,954	$ 80,622,001	$ 83,264,435
Total Outlier	$ 42,863,649	$ 47,317,306	$ 29,066,315	$ 28,894,993
% Outlier	41.5%	43.6%	26.5%	25.8%
Grand Total	$ 103,268,771	$ 108,540,260	$ 109,688,316	$ 112,159,428

Dashboard SFY 2017

- State Fiscal Year 2017 Dashboards (July 1, 2016 – June 30, 2017)

- Outpatient:
  - A slight increase in overall payment relative to Wisconsin-specific EAPG weights (Q1/Q2 vs. Q3/Q4) is noticed; however, RY17 have an inflated budget period with reinvestment
- Handout #1

Payment Monitoring

- DHS continues to monitor impact of APR DRG implementation
- In general, comparable payments amounts have been rendered under APR DRG relative to historic MS-DRG methodology
- Providers comparing historic to current methodologies must do so only after all methodological adjustments are made:
  - Re-group claim under MS-DRG
    - There is no MS-DRG to APR DRG "mapping"
  - Apply Enhanced MS-DRG mapping for newborns and mental health
    - Note: Enhanced DRG mapping relying upon diagnosis code must be mapped to comparable ICD-10 code
  - Consider removal of transfer claims where payment can be reduced under new policy
  - Consider removal of claims whereby submitted charges are less then simulated payment
  - Apply year-over-year inflation factor and consider additional adjustment factor to accommodate RY17 reinvested dollars

RY 2018 Inpatient Rate Development

RY18 Inpatient Model Updates

- CAH rate pool is based on 100% of estimated RY 2018 claim cost.
- Psych, rehab, and LTAC provider rate pools are based on simulated RY 2018 payments (priced under RY 2018 rates that were modeled at 85.08%, as appropriate, of estimated RY 2018 claim cost).
- Acute rate pool is the net rate pool from simulated RY 2017 payments inflated to RY 2018, after subtracting/adding the CAH, psych/rehab, and LTAC rate pool totals.
- In the current RY (2017), providers outside the plus five percent minus four percent had their base rate adjusted so total payments were within the one-year transitional corridor. In RY18, there is no corridor
- No model parameters changed between RY17 and RY18 (e.g. trim point, outlier percent, adjustment factors, etc.)

RY 2018 Inpatient Rate Development

RY18 Budget Pool Development (Handout #2)

Provider Type	Allowed Amount Under RY 17			Inflated to RY18	
	FFS Total	HMO Total	FFS + HMO Total	FFS + HMO Inflated	2018 Rate Pools
CAH	$ 21,693,745	$ 29,907,715	$ 51,601,460	$ 51,966,933	$ 51,964,594
Psych/Rehab	$ 25,926,420	$ 41,062,087	$ 66,988,507	$ 68,978,066	$ 57,706,699
LTAC	$ 11,684,878	$ 4,095,782	$ 15,780,660	$ 16,249,346	$ 16,212,588
Acute Care					
In-State	$ 363,184,421	$ 345,100,356	$ 708,284,777	$ 729,320,835	
Border	$ 23,160,824	$ 12,944,347	$ 36,105,171	$ 37,177,495	
Out-of-State	$ 8,640,027	$ 3,728,523	$ 12,368,549	$ 12,735,895	
Acute Total	$ 394,985,272	$ 361,773,226	$ 756,758,497	$ 779,234,225	$ 790,544,688
Total	$ 454,290,315	$ 436,838,809	$ 891,129,124	$ 916,428,569	$ 916,428,569

*Totals shown reflect sums for claims with dates of service from 10/01/2015 - 09/30/2016 as of 06/05/2017.
**Claim payment calculated with the MMIS without inflation. Note: HMO encounters are not necessarily paid MMIS pricing

Status of RY 2018 Inpatient Rate Development

RY18 Inpatient Rate Development Handouts

- Handout 2: RY18 Wisconsin IP Budget Pool Summary
- Handout 3: RY18 Wisconsin Per Diem Rates
- Handout 4: RY18 Wisconsin IP-CAH Rates
- Handout 5: RY18 Wisconsin IP-Acute Care Rates

Status of RY 2018 Outpatient Rate Development

RY18 Outpatient Rate Development

- RY 2018 EAPG payment system will use EAPG v3.12 grouper and weights, with current pricing methodology
- The RY 2018 outpatient EAPG model uses FFY 2016 fee for service claims and HMO encounter data
- RY 2018 model budget pool is based on simulated payments under RY 2017 inflated to RY 2018 using the CMS market basket

Status of RY 2018 Outpatient Rate Development

RY18 Outpatient Budget Pool Development

Provider Type	Priced Under RY17			RY17 Inflated FF + HMO	2018 Rate Pools
	FFS Total	HMO Total	FFS + HMO		
CAH	$ 33,482,081	$ 70,196,013	$ 103,678,094	$ 106,757,333	$ 111,238,646
Non-CAH	$ 61,068,975	$ 134,114,085	$ 195,183,059	$ 200,979,996	$ 196,498,683
Total	$ 94,551,056	$ 204,310,097	$ 298,861,153	$ 307,737,330	$ 307,737,330

*Totals shown reflect sums for claims with dates of service from 10/01/2015 - 09/30/2016 as of 06/05/2017.
**Claim payment calculated with the MMIS without inflation. Note: HMO encounters are not necessarily paid MMIS pricing

Status of RY 2018 Outpatient Rate Development

RY18 Outpatient Rate Development Handouts

- Handout 6: RY18 Wisconsin OP Budget Pool Summary
- Handout 7: RY18 Wisconsin OP-CAH Rates
- Handout 8: RY18 Wisconsin OP-Acute Care Rates

Access Payment Updates

SFY 2017 Assessment Interim Reconciliation

Acute Care & Rehabilitation Hospitals Provider Assessment Projection					
Funding	Actual Access Payments YTD*	Projected Remaining Payments to be made*	Total Projected Access Payments	Budgeted Payments Per Assessment Model**	Projected Underspend/ (Overspend)
IP FFS Access Payments	$84,132,622	$28,044,207	$112,176,829	$111,869,367	($307,462)
OP FFS Access Payments	$79,632,675	$26,544,225	$106,176,900	$98,820,391	($7,356,509)
Managed Care Payments	$394,159,694	$36,902,683	$431,062,376	$443,538,940	$12,476,563
Total Access Payments to Date	$557,924,991	$91,491,115	$649,416,106	$654,228,697	$4,812,592

Access Payment Updates

SFY 2017 Assessment Interim Reconciliation Cont'd

Critical Access Hospitals Provider Assessment Projection					
Funding	Actual Access Payments YTD*	Projected Remaining Payments to be made*	Total Projected Access Payments	Budgeted Payments Per Assessment Model**	Projected Underspend/ (Overspend
IP FFS Access Payments	$1,279,616	$426,539	$1,706,155	$ 2,150,564	$444,410
OP FFS Access Payments	$1,142,910	$380,970	$1,523,880	$ 1,759,553	$235,673
Managed Care Payments	$7,410,424	$692,254	$8,102,678	$ 8,308,998	$206,320
Total Access Payments to Date	$9,832,950	$1,499,763	$11,332,713	$ 12,219,115	$886,402

Access Payment Updates

SFY 2018 Access payment rates

	Setting	ACH/Rehab	CAH
SFY17	Inpatient	$3,899	$832
	Outpatient	$327	$27
SFY18	Inpatient	$4,082	$870
	Outpatient	$311	$28

- Access payments for dates of service in SFY17 have been stopped
- The new access payment rates will be loaded into the Wisconsin Medicaid claims system in late October/early November. Claims eligible for an access payment with dates of service from July 1, 2017, until the date new rates are loaded will be adjusted accordingly.
- Handout # 9

Request for Public Comment

Questions

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All questions can be sent by email to: DHSDMSBFM@dhs.wisconsin.gov