Medicaid Advisory Hospital Group

Division of Medicaid Services

Bureau of Fiscal Management

August 10, 2017

Wisconsin Department of Health Services

Agenda

- Welcome and Introductions
- HMO Value and Quality Roadmap
- Potentially Preventable Readmissions (PPR) Updates
- Rate Year 2018 Updates
- Additional Updates
- Public Comment
- Adjournment

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HMO Value & Quality Roadmap for Wisconsin Medicaid

Rachel Currans-Henry

Director

Medicaid Bureau of Benefits Management

August 8, 2017

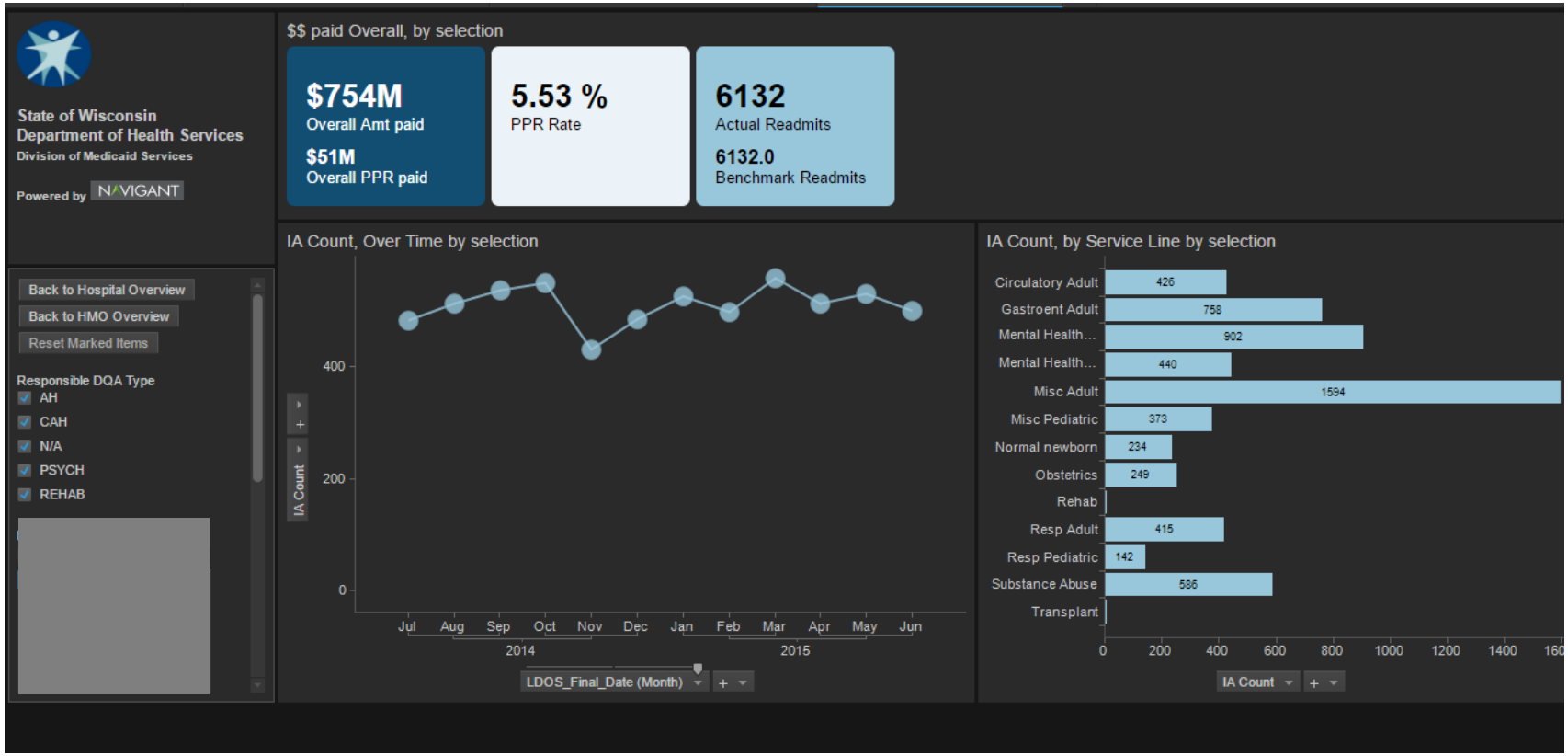
Potentially Preventable Readmissions

- DHS is working with Medicaid HMOs on PPR plans for 2018
- DHS is seeking out models in which HMOs and providers can collaborate to reduce PPRs. More details to come as the model(s) are developed
- DHS continues to work on the Fee-For-Service model and plans to share more in September
- Target date is January 1, 2018 for a FFS and HMO PPR policy
- In September DHS will provide an inventory of provider feedback on PPRs and responses

Potentially Preventable Readmissions

- DHS is currently developing a web-based platform to display provider PPR data in dashboard format and allow claim chain downloads
- Unique user credentials will allow providers access to their most current data as well as a repository of historic quarters of data

Potentially Preventable Readmissions



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For demonstration purpose only

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Rate Year 2018 Updates

- Following the decision to disallow appeals on the basis of revenue code crosswalks, DHS heard concerns about the standardized crosswalk produced through the rate setting process
- DHS held revenue code cross-walk meetings with providers to review current processes and receive feedback on opportunities for improvement
- In Rate Year 18, cost centers will be aggregated in a manner similar to Medicare as published annually in the Federal Register
- The goal of cost center aggregation is to decrease the occurrence of inconsistencies between provider revenue code mapping and DHS standardized crosswalk

Rate Year 2018 Updates

- For example, cost center "Operating Room" (line 50) and "Recovery Room" (line 51) are now combined into a single cost center CCR during detail costing

Cost center group name (19 total)	MedPAR charge field	Revenue codes contained in MedPAR charge field	Cost report line description	Cost from HCRIS (Worksheet C, Part 1, Column 5 and line number) Form CMS–2552–10	Charges from HCRIS (Worksheet C, Part 1, Column 6 & 7 and line number) Form CMS–2552–10	Medicare Charges from HCRIS (Worksheet D–3, Column & line number) Form CMS–2552–10
Supplies and Equipment.	Medical/Surgical Supply Charges.	0270, 0271, 0272, 0273, 0274, 0277, 0279, and 0621, 0622, 0623.	Medical Supplies Charged to Patients.	C_1_C5_71	C_1_C7_73 C_1_C6_71	D3_HOS_C2_71
	Durable Medical Equipment Charges.	0290, 0291, 0292 and 0294–0299.	DME–Rented	C_1_C5_96	C_1_C7_71 C_1_C6_96	D3_HOS_C2_96
	Used Durable Medical Charges.	0293	DME–Sold	C_1_C5_97	C_1_C7_96 C_1_C6_97	D3_HOS_C2_97
Implantable Devices		0275, 0276, 0278, 0624.	Implantable Devices Charged to Patients.	C_1_C5_72	C_1_C7_97 C_1_C6_72	D3_HOS_C2_72
Therapy Services	Physical Therapy Charges.	042X	Physical Therapy	C_1_C5_66	C_1_C7_72 C_1_C6_66	D3_HOS_C2_66
	Occupational Ther-	043X	Occupational Ther-	C_1_C5_67	C_1_C7_66 C_1_C6_67	D3_HOS_C2_67

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Rate Year 2018 Updates

- Handout #1 illustrates the modified approach
- As in the current rate year, DHS uses a single, standardized revenue code crosswalk and does not accept rate appeals based upon the crosswalk
- Full revenue code crosswalks in Handout #2 and #3

Rate Year 2018 Updates

- DHS continues to use the CMS wage index which is updated and published annually
- Provider wage index represent the final wage index which reflects any adjustments, reclassifications, out-migration adjustments, Lugar counties, rural floor, etc.
- Providers not participating in IPPS are assigned the wage index for the CBSA they are geographically located in with all applicable adjustments
- Handout #4

Rate Year 2018 Updates

- Grouper versions have been updated:
  - APR DRG v34 (Handout #5)
  - EAPG v3.12
- As under the current Rate Year, DHS will continue to use national weights as published by 3M

Rate Year 2018 Updates

APR DRG v34

New DRGs	
181	LOWER EXTREMITY ARTERIAL PROCEDURES
182	OTHER PERIPHERAL VASCULAR PROCEDURES
322	SHOULDER & ELBOW JOINT REPLACEMENT
469	ACUTE KIDNEY INJURY
470	CHRONIC KIDNEY DISEASE
695	CHEMOTHERAPY FOR ACUTE LEUKEMIA
696	OTHER CHEMOTHERAPY

Retired DRGs	
173	OTHER VASCULAR PROCEDURES
460	RENAL FAILURE
693	CHEMOTHERAPY

EAPG v3.12

Retired EAPGs	
492	ADMISSION FOR OBSERVATION INDICATOR
500	DIRECT ADMISSION FOR OBSERVATION - OBSTETRICAL
501	DIRECT ADMISSION FOR OBSERVATION - OTHER DIAGNOSES
502	DIRECT REFERRAL FOR OBSERVATION - BEHAVIORAL HEALTH

Rate Year 2018 Updates

- Historically, LTACs received over 60% of payment in outlier dollars driven by lengths of stay seven times longer then acute care hospitals
- Psych providers have approximately twice the LOS and rehab providers three times the LOS compared to acute care hospitals
- In Rate Year '18 LTAC providers will no longer be paid via DRG
- Prospective per diem rates will be calculated in a manner similar to psychiatric and rehabilitation facilities

Rate Year 2018 Updates

- Consistent with EAPG implementation, in Rate Year 2018 the one-year transitional provider rate corridor will be removed from inpatient rates
- With the removal of the corridor, the *goal* is to maintain model parameters for stability
- With the implementation of ICD-10, rate modeling relies upon 2016 *Federal* Fiscal Year claims and encounters
  - Balance of most currently available claims, ICD-10 compliant with appropriate runout
  - 10/1/2015 – 9/30/2016

Rate Year 2018 Updates

All dollar amounts contained in this presentation and handouts are to be considered DRAFT and subject to change

Rate Year 2018 Updates

Inpatient

Provider Type	Original Claim Payment	Priced Under RY 17 Total Payment	Priced Under RY 17 Total Inflated	2018 Rate Pools
CAH	$ 52,227,953	$ 53,749,483	$ 55,345,842	$ 53,895,130
Psych/Rehab	$ 56,264,600	$ 67,084,006	$ 69,076,401	$ 56,300,093
LTAC	$ 14,599,871	$ 15,967,691	$ 16,441,931	$ 16,355,198
Acute Care				
In-State	*$ 653,114,124*	*$ 715,671,180*	*$ 736,926,614*	
Border	*$ 32,973,267*	*$ 36,105,171*	*$ 37,177,495*	
Out-of-State	*$ 10,158,724*	*$ 12,368,549*	*$ 12,735,895*	
Acute Total	$ 696,246,114	$ 764,144,900	$ 786,840,004	$ 801,153,757.44
Total	$ 819,338,539	$ 900,946,080	$ 927,704,179	$ 927,704,179

Note: Totals shown reflect sums for claims with dates of service from 10/01/2015 - 09/30/2016 as of 06/05/2017.

Rate Year 2018 Updates

- Outpatient
  - Completed
    - Grouping claim lines under EAPG v3.11 and v3.12 to price claim payments for the Rate Year '18 budget pool and scale v3.12 EAPG national weights effective 1/1/2018 as needed
    - Claim line cost has been estimated using HCRIS cost report ancillary data for the Rate Year '18 critical access hospital (CAH) budget pool.
  - Ongoing
    - Calculating GME rate add-on using estimated claim cost and adjusted/scaled v3.12 EAPG national weights
    - Discount/packaging application and final rate setting

Rate Year 2018 Updates

- Providers reporting graduate medical education (GME) expenses are eligible for a provider-specific GME add-on reflected in their rate
- As in the current rate year, add-on amount is calculated as the percentage of GME costs to total costs. This percentage is applied to the estimated Medicaid provider cost
- Handout #6

Additional Updates

- Application of "greater than billed" cutback will be applied to per diem claims starting 10/1/17
- DSH Audit
- Hospital data reports (VEDSHospitalReporting@Wisconsin.gov)
  - Funding source T-19 eligibility match
  - Crossover claims / bad debt summary
  - Paid claims report
- SFY 2018 Access Payments
- HMO Access Payments
- Hospital tax assessment, dashboard info forthcoming

Request for Public Comment

Questions

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All questions can be sent by email to:
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Wisconsin Department of Health Services