

Affected Programs: BadgerCare Plus, Medicaid, Wisconsin Chronic Disease Program
To: Hospital Providers, HMOs and Other Managed Care Programs

Implementation of the All Patient Refined Diagnosis Related Groups Classification System

Effective for dates of discharge and “To” dates of service on and after January 1, 2017, ForwardHealth will implement the All Patient Refined Diagnosis Related Group (APR DRG) Classification System to classify and calculate pricing for inpatient hospital claims, Medicare crossover claims, and HMO encounters. The implementation of the APR DRG system will impact reimbursement for inpatient hospital services provided to members enrolled in Wisconsin Medicaid, BadgerCare Plus, and the Wisconsin Chronic Disease Program.

Implementation of the All Patient Refined Diagnosis Related Groups Classification System

ForwardHealth will be implementing the All Patient Refined Diagnosis Related Groups (APR DRG) Classification System for pricing inpatient hospital fee-for-service claims, Medicare crossover claims, and HMO encounters with dates of discharge or “To” dates of service (DOS) **on and after** January 1, 2017. The APR DRG system will replace the current Medicare Severity Diagnosis Related Group (MS-DRG) classification system. The MS-DRG classification will remain effective for inpatient hospital claims, Medicare crossover claims, and HMO encounters with dates of discharge or “To” DOS **before** January 1, 2017.

Impacted Programs

The implementation of APR DRG will change the pricing for inpatient hospital services and HMO encounters for members enrolled in Wisconsin Medicaid and BadgerCare

Plus. Additionally, it will change the pricing for inpatient hospital services provided to members enrolled in Wisconsin Chronic Disease Program (WCDP) Adult Cystic Fibrosis and WCDP Chronic Renal Disease. Under the APR DRG classification system, there will be *no change* to pricing for services provided to members enrolled in WCDP Hemophilia Home Care.

The APR DRG Classification System will expand the DRG system scope to include the patient severity of illness and risk of mortality levels, as well as align the classification of inpatient hospital claims and HMO encounters more appropriately with the needs of the Medicaid, BadgerCare Plus, and WCDP member populations.

Exclusions from Diagnosis Related Groups Reimbursement

The following services are currently exempt from the DRG classification system and will continue to be exempt under the APR DRG classification system:

- Services provided at rehabilitation and psychiatric hospitals
- Services provided during certain specialized hospital stays, including services related to ventilator care, certain unusual cases, and brain injury cases
- Inpatient hospital services provided to Department of Corrections inmates at acute care hospitals

Special provisions for payment of these DRG-exempt services are included in the Inpatient Hospital State Plan, which can be accessed on the ForwardHealth Portal at www.forwardhealth.wi.gov/, via either the Provider-specific Resources page for Hospitals in the Providers.

Additional Information Regarding the All Patient Refined Diagnosis Related Groups Classification System Implementation

A future *ForwardHealth Update* will be published with more details on the APR DRG Classification System and any policy changes resulting from its implementation.

Additionally, ForwardHealth will communicate APR DRG information to inpatient hospital providers via ForwardHealth Portal account messaging and inpatient hospital email subscription messaging. Providers and other interested parties who are not currently signed up to receive messages from ForwardHealth for inpatient hospital providers are encouraged to sign up by clicking the Register for E-mail Subscription link on the left side of the Portal home page.

New All Patient Refined Diagnosis Related Groups Classification System Portal Page

ForwardHealth has created a new APR DRG Portal page for APR DRG information and resources, including future *Updates*, provider training dates, and a link to future APR DRG weights and rates. The APR DRG Portal page can be accessed via the Provider-specific Resources page for Hospitals in the Providers area of the Portal and the Managed Care Organizations home page. ForwardHealth will update this Portal page with new information as it becomes available. Both providers and HMOs are encouraged to check the page regularly for updated information.

Provider Trainings

ForwardHealth will be offering on-site APR DRG trainings in the fall of 2016. Training information will be linked from the APR DRG Portal page, when available.

Email for All Patient Refined Diagnosis Related Groups Classification System Questions

Providers with questions regarding APR DRG may email them to VEDS.APRDRG.Support@wisconsin.gov. This email address is also linked from the new APR DRG Portal page.

Additional Information for HMOs

ForwardHealth will communicate APR DRG information to HMOs at the monthly HMO Encounter Technical meetings; however, HMOs are encouraged to check the APR DRG Portal page regularly for updated information.

HMOs with APR DRG encounter questions may email them to VEDSHMOSupport@wisconsin.gov.

The *ForwardHealth Update* is the first source of program policy and billing information for providers.

Wisconsin Medicaid, BadgerCare Plus, SeniorCare, and Wisconsin Chronic Disease Program are administered by the Division of Health Care Access and Accountability, Wisconsin Department of Health Services (DHS). The Wisconsin AIDS Drug Assistance Program and the Wisconsin Well Woman Program are administered by the Division of Public Health, Wisconsin DHS.

For questions, call Provider Services at 800-947-9627 or visit our website at www.forwardhealth.wi.gov/.

P-1250