

Medi-Cal DRG Year 4 Provider Training W700 May 24th and June 2nd 2016



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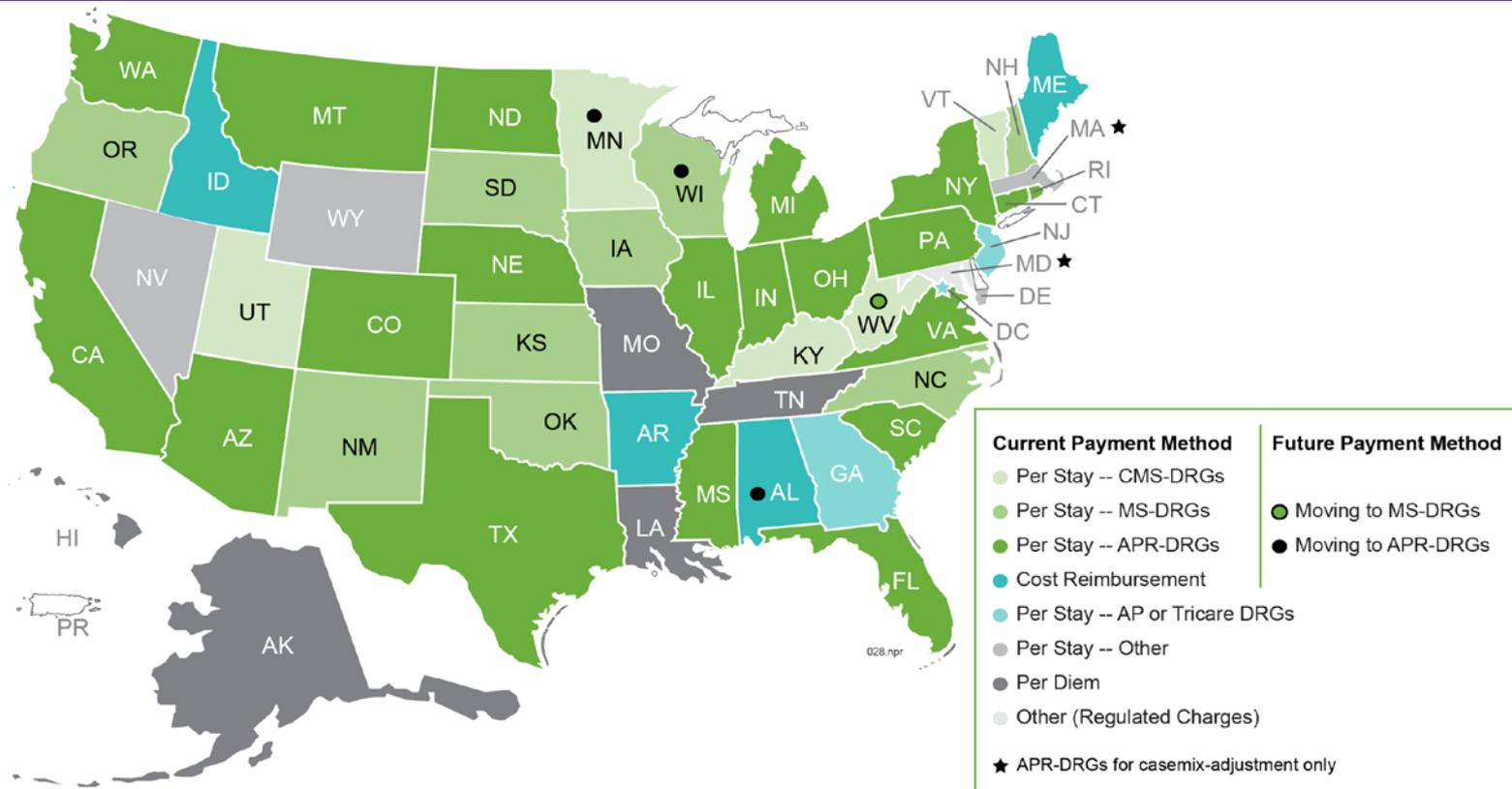
Agenda

1. **DRG Background**
2. Year 1 and Year 2 Actual
3. Year 4 Updates
4. Billing Points
5. Provider Education

DRG Background

APR-DRGs in U.S. Medicaid Plans

- Nearly half of all states, including the District of Columbia, use APR DRGs for Medicaid claims payment
- 3 states are moving to payment by APR DRG; Michigan and Indiana recently completed APR DRG implementation
- 75% of Medicaid inpatient payment is by APR DRG



Principles of DRG Payment

- **Value purchasing:** DRGs define “the product of a hospital,” enabling greater understanding of the services provided and purchased
 - DRGs reward better diagnosis and procedure coding, which should be complete, accurate and defensible
- **Fairness:** Moving toward statewide base rates with outlier policy for expensive patients
- **Efficiency:** Because payment does not depend on hospital-specific costs or charges, hospitals are rewarded for improving efficiency, such as reductions in lengths of stay
- **Access:** Higher DRG payment for sicker patients encourages access to care across the full range of patient conditions
- **Transparency:** Payment methods and calculations on the Internet
- **Administrative ease:** Day-by-day TAR no longer required (except some limited-benefit beneficiaries)
- **Quality:** Sets foundation for improvement of outcomes

DRG Background

Stay in Touch

CA.GOV CALIFORNIA DEPARTMENT OF Health Care Services

HOME SERVICES INDIVIDUALS PROVIDERS & PARTNERS FORMS, LAWS & PUB

Home > Providers & Partners > **Diagnosis Related Group Hospital Inpatient Payment Methodology**

Diagnosis Related Group Hospital Inpatient Payment Methodology

Payment by DRGs encourages access to care, rewards efficiency, improves transparency, and improves fairness by paying similarly across hospitals for similar care. Payment by DRGs also simplifies the payment process, encourages administrative efficiency, and bases payments on patient acuity and hospital resources rather than length of stay.

History of DRG

Senate Bill 853 (Statutes of 2010) added Section 14105.28 to the Welfare and Institutions Code which mandated the design and implementation of a new payment methodology for hospital inpatient services provided to Medi-Cal beneficiaries based upon Diagnosis Related Groups (DRGs).

DRG Payment Method

The DRG reimbursement methodology replaced the previous payment method for all private hospitals

To find out about DRG specific information, please select from the pages below.

Contact Information	Pricing Resources: SFY 2013/14
Important Information	Pricing Resources: SFY 2014/15
Provider Education and Bulletins	Pricing Resources: SFY 2015/16
Billing and TAR Changes	Pricing Resources: SFY 2016/17

Medi-Cal DRG Project Frequently Asked Questions

Please note that changes remain possible before the implementation date. Changes have been made since the May 3, 2012 version was published on the DHCS website.

OVERVIEW QUESTIONS

1. What is the Medi-Cal DRG project?
As directed by the Legislature, the Department of Health Care Services (DHCS) is developing a new method of payment for hospital inpatient services with the California Medical Assistance Contracting Program (SCPC). DHCS will be working with the Legislature and other interested parties with periodic updates on the project.

2. How are the DRG rates being determined?
The DRG rates are being determined by the Department of Health Care Services (DHCS) in collaboration with the California Medical Assistance Contracting Program (SCPC). The rates are based on the actual costs of care, adjusted for various factors such as patient acuity, hospital resources, and geographic location. The rates are being updated periodically to reflect changes in the market.

Medi-Cal DRG Pricing Calculator Effective Date of Admission on or after July 1, 2014

DRG: 010 (Medical/Surgical) | ICD-9-CM: 86.52 (Excisional debridement of wound, burn, or infection)

Rate: \$1,000.00

Net Payment: \$1,000.00

Net Payment (after 3% discount): \$970.00

Net Payment (after 5% discount): \$950.00

Net Payment (after 7% discount): \$930.00

Net Payment (after 9% discount): \$910.00

Net Payment (after 11% discount): \$890.00

Net Payment (after 13% discount): \$870.00

Net Payment (after 15% discount): \$850.00

Net Payment (after 17% discount): \$830.00

Net Payment (after 19% discount): \$810.00

Net Payment (after 21% discount): \$790.00

Net Payment (after 23% discount): \$770.00

Net Payment (after 25% discount): \$750.00

Net Payment (after 27% discount): \$730.00

Net Payment (after 29% discount): \$710.00

Net Payment (after 31% discount): \$690.00

Net Payment (after 33% discount): \$670.00

Net Payment (after 35% discount): \$650.00

Net Payment (after 37% discount): \$630.00

Net Payment (after 39% discount): \$610.00

Net Payment (after 41% discount): \$590.00

Net Payment (after 43% discount): \$570.00

Net Payment (after 45% discount): \$550.00

Net Payment (after 47% discount): \$530.00

Net Payment (after 49% discount): \$510.00

Net Payment (after 51% discount): \$490.00

Net Payment (after 53% discount): \$470.00

Net Payment (after 55% discount): \$450.00

Net Payment (after 57% discount): \$430.00

Net Payment (after 59% discount): \$410.00

Net Payment (after 61% discount): \$390.00

Net Payment (after 63% discount): \$370.00

Net Payment (after 65% discount): \$350.00

Net Payment (after 67% discount): \$330.00

Net Payment (after 69% discount): \$310.00

Net Payment (after 71% discount): \$290.00

Net Payment (after 73% discount): \$270.00

Net Payment (after 75% discount): \$250.00

Net Payment (after 77% discount): \$230.00

Net Payment (after 79% discount): \$210.00

Net Payment (after 81% discount): \$190.00

Net Payment (after 83% discount): \$170.00

Net Payment (after 85% discount): \$150.00

Net Payment (after 87% discount): \$130.00

Net Payment (after 89% discount): \$110.00

Net Payment (after 91% discount): \$90.00

Net Payment (after 93% discount): \$70.00

Net Payment (after 95% discount): \$50.00

Net Payment (after 97% discount): \$30.00

Net Payment (after 99% discount): \$10.00

Net Payment (after 100% discount): \$0.00



DRG Background

Stay in Touch

DRG Recorded Webinars on the Medi-Cal Learning Portal



The screenshot shows the Medi-Cal Learning Portal interface. At the top left is the logo, which includes a stylized figure and the text "MEDI-CAL LEARNING PORTAL". Below the logo is a navigation bar with "HOME" and "OPS" buttons. Underneath, a breadcrumb trail reads "Ops > Recorded Webinars". A large banner image shows a group of people in a training session, with the text "Operations Training" overlaid in teal. Below the banner, there are two columns of recorded webinars:

Provider Recorded Webinars	Operations Recorded Webinars
Allied Health Common Denials Recorded Webinar	DRG Training for TAR Field Offices Recorded Webinar

Diagnosis Related Group Year 3 Recorded Webinar (06/11/2015 or 06/15/2015)

https://learn.medi-cal.ca.gov/ivdetail/tabid/64/listingkey/432/diagnosis_related_group_year_3_recorded_webinar.aspx

Diagnosis Related Group Year 2 Recorded Webinar 07/2014

https://learn.medi-cal.ca.gov/.wcbriq9/diagnosis_related_group_year_2_recorded_webinar.aspx

Diagnosis Related Group Overview Recorded Webinar (Year 1) 12/2013

https://learn.medi-cal.ca.gov/ngcdfw/diagnosis_related_group_overview_recorded_webinar.aspx

DRG Training For TAR Field Offices Recorded Webinar 06/2013

https://learn.medi-cal.ca.gov/hz1gkqi/drg_training_for_tar_field_offices_recorded_webinar.aspx

Diagnosis Related Group Ratesetting Recorded Webinar (Year 1) 02/2013

https://learn.medi-cal.ca.gov/m07kbnh/diagnosis_related_group_ratesetting_recorded_webinar.aspx

Diagnosis Related Group Billing Recorded Webinar July 2013

https://learn.medi-cal.ca.gov/fl55izi/diagnosis_related_group_billing_recorded_webinar.aspx

DRG Policy Change

- **Timeline:**

- Authorized by Senate Bill 853 in October 2010
- 2011-2012: Policy development and consultation with hospitals
- 2012-2013: Systems implementation and provider training
- July 1, 2013: DRG Year 1 (first year of transition)
- January 1, 2014: NDPHs implemented
- July 1, 2014: DRG Year 2 (second year of transition)
- July 1, 2015: DRG Year 3 (third year of transition)
- July 1, 2016: DRG Year 4 (statewide rates fully implemented)

- **Programs:** Medi-Cal fee-for-service, CCS only, GHPP only

- **Hospitals:** General acute care hospitals, including out-of-state, Medicare-designated CAH, Medicare-designated LTAC

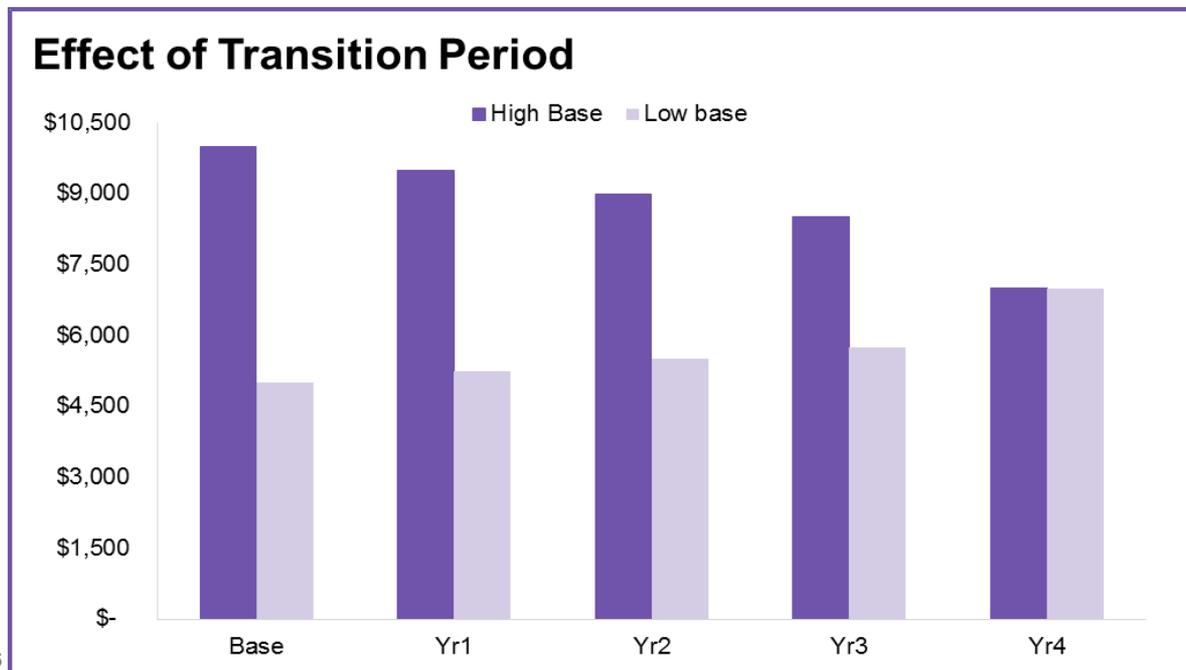
- **Excluded Hospitals:** Designated public hospitals, psychiatric hospitals (county)

- **Excluded Services:** Rehabilitation (per diem), admin days (per diem), psych (counties)

DRG Background

Statewide Base Rates Effective Year 4

- July 1, 2016 begins Year 4 (SFY 2016/17) of DRG payment
- All hospitals will now be paid using the same statewide and remote rural statewide base rates, adjusted for wage areas and budget neutrality factor
- 209 of 337 hospitals moved from Year 3 transition base rate to statewide rate for Year 4
 - Example hospitals depicted moving toward statewide rate from high and low point below



Agenda

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- 2. Year 1 and Year 2 Actual**
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Impact of Medicaid Expansion/Transition

- Published FY 2013-14 Utilization and Payment
http://www.dhcs.ca.gov/provgovpart/Documents/DRG/W488_Medi-Cal_Year_1_DRG_Inpatient_Payment_March-2015.pdf
 - FY 2013-14 and 2014-15 Utilization and Payment report expected June 2016
- Noticeable increase in ACA Medi-Cal FFS volume since January 2014
 - Increased revenue for hospitals, assuming these patients were previously uninsured
 - Average casemix is higher than pre-existing FFS population
- Effect on FFS volumes and payments going forward depends on interaction of three trends:
 - Pace of new Medi-Cal enrollees under ACA Medicaid expansion
 - Pace of transition from FFS to managed care
 - Actual casemix and utilization

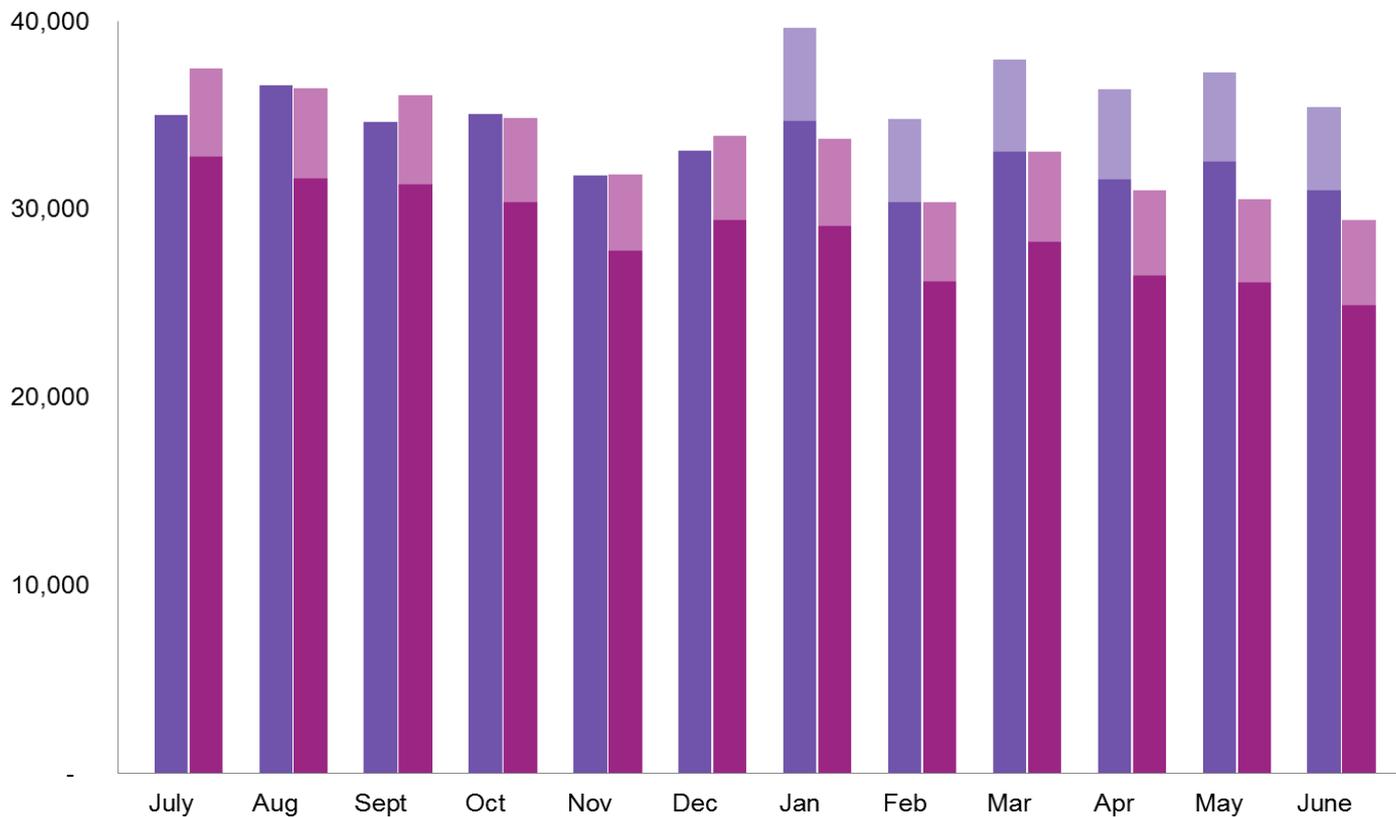
Year 1 and Year 2 Actual Actual Stays

Actual Stays, Paid by 10/31/2015

■ Year 1 ACA ■ Year 2 ACA
■ Year 1 Non-ACA ■ Year 2 Non-ACA

Year 1
 Non-ACA = 399,443
 ACA = 28,208
 Total = 427,651

Year 2
 Non-ACA = 344,299
 ACA = 54,354
 Total = 398,653



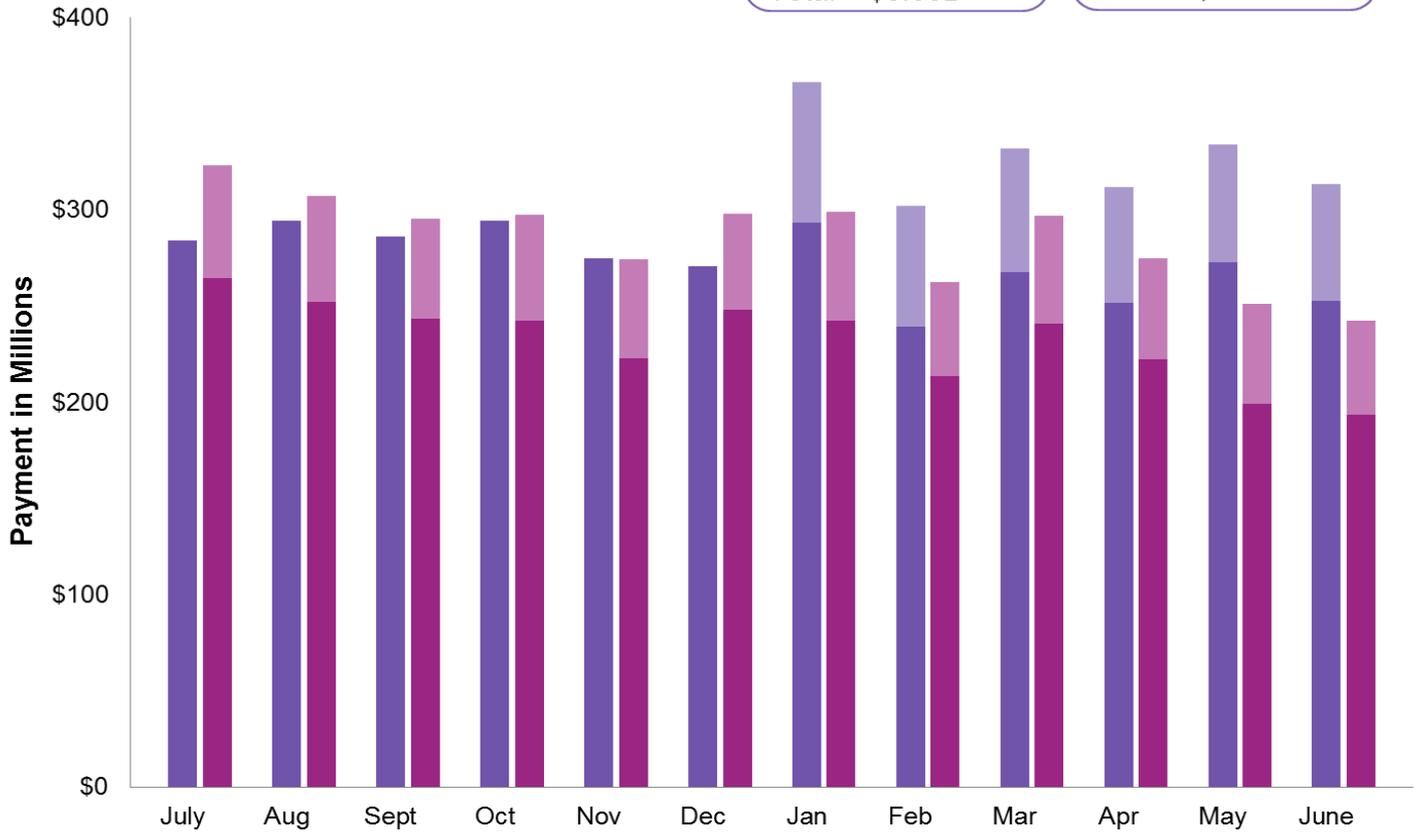
Year 1 and Year 2 Actual Actual Payment

Actual Payment, Paid by 10/31/2015

■ Year 1 ACA ■ Year 2 ACA
■ Year 1 Non-ACA ■ Year 2 Non-ACA

Year 1
 Non-ACA = \$3.28B
 ACA = \$382M
 Total = \$3.66B

Year 2
 Non-ACA = \$2.78B
 ACA = \$637M
 Total = \$3.42B

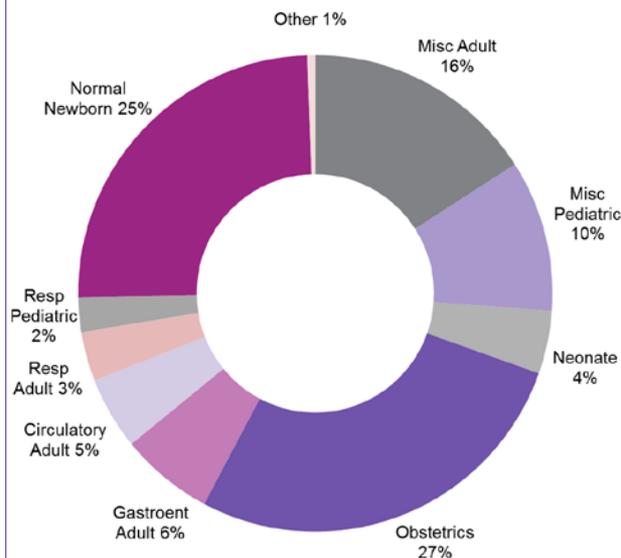


Year 1 and Year 2 Actual How Claims Were Paid

- In Year 1 normal newborns and obstetrics comprised 52% of stays
 - This dropped to 48% in Year 2
- Adult misc. and adult gastroent. stays increased due to the Medicaid expansion population

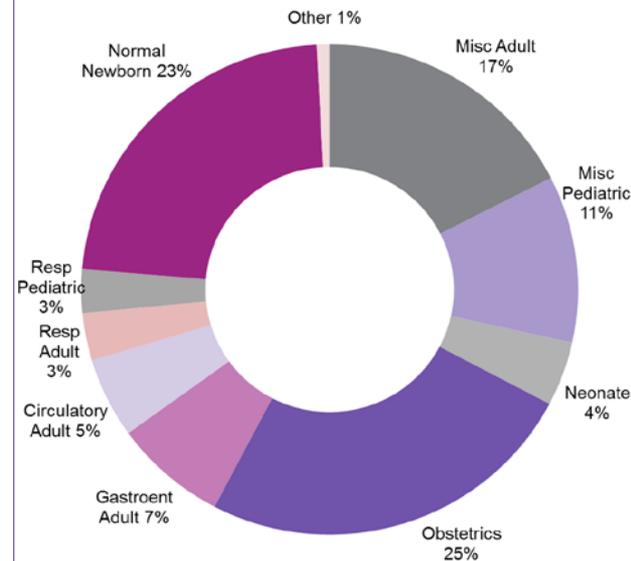
Year 1 Stays by Medicaid Care Category

Total stays: 416,932
Paid claims thru 11/23/15



Year 2 Stays by Medicaid Care Category

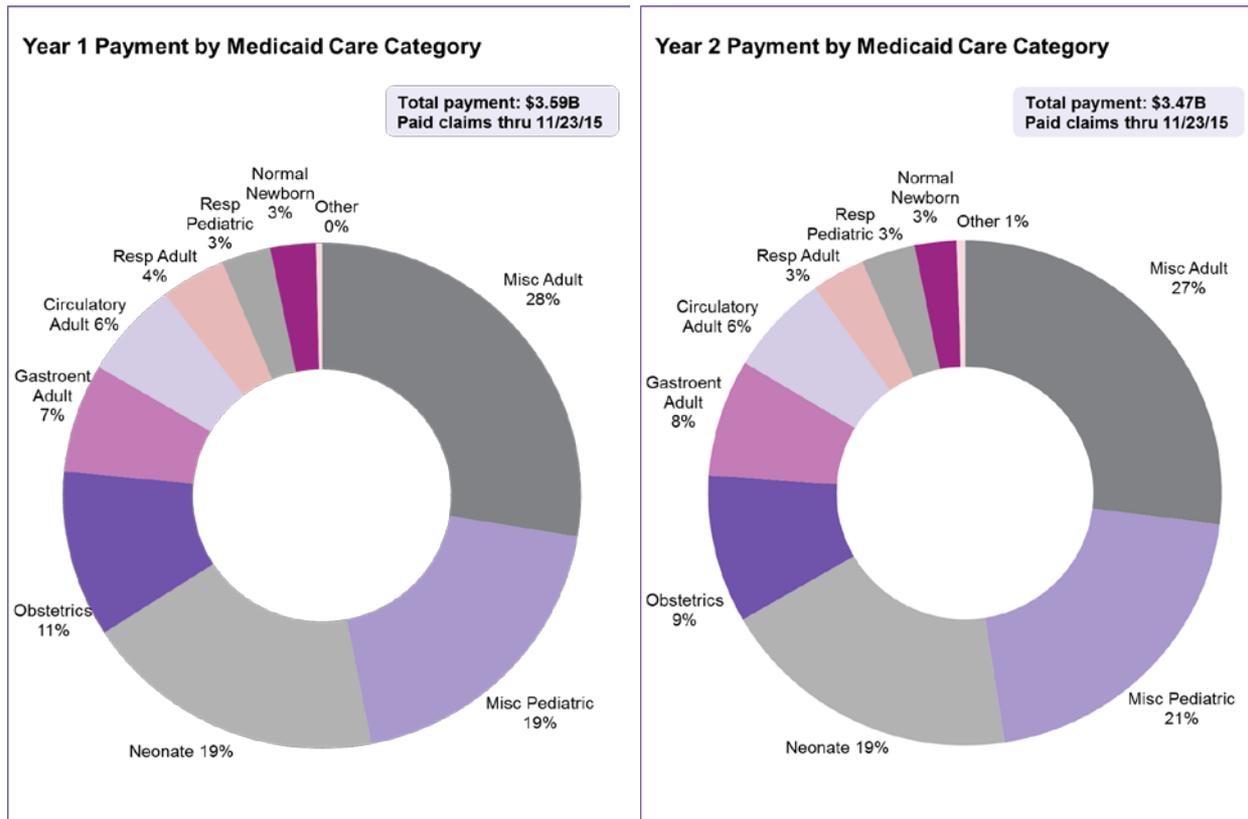
Total stays: 401,078
Paid claims thru 11/23/15



Year 2 stays are estimated to be 89% complete.

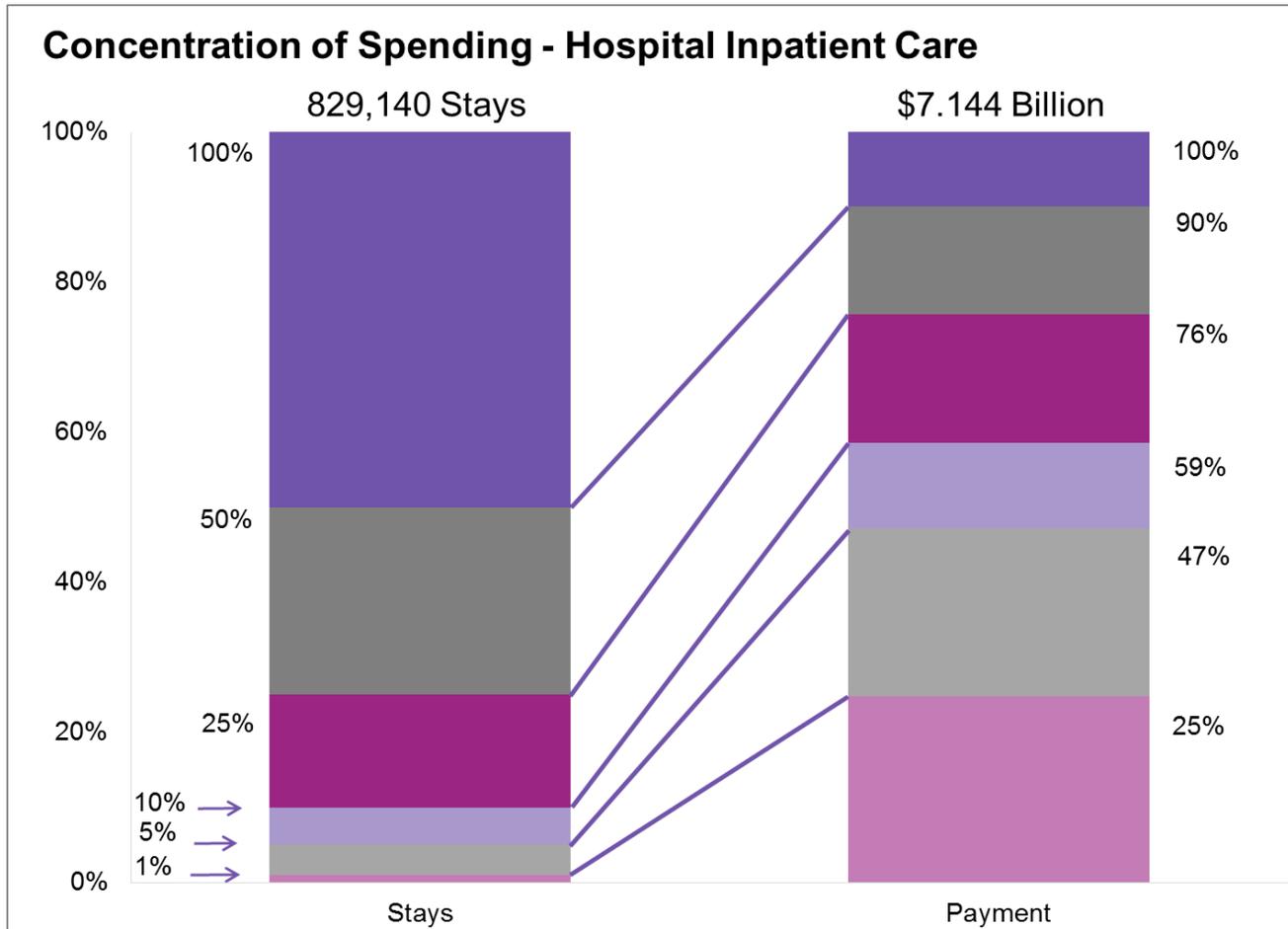
Year 1 and Year 2 Actual How Claims Were Paid

- In Year 1 neonate, adult and pediatric misc. comprised 66% of payments
 - This increased to 67% in Year 2
- Adult misc. payments decreased 1% in Year 2 even though stays increased



Year 1 and Year 2 Actual

5% of Claims Encompass 47% of Payment

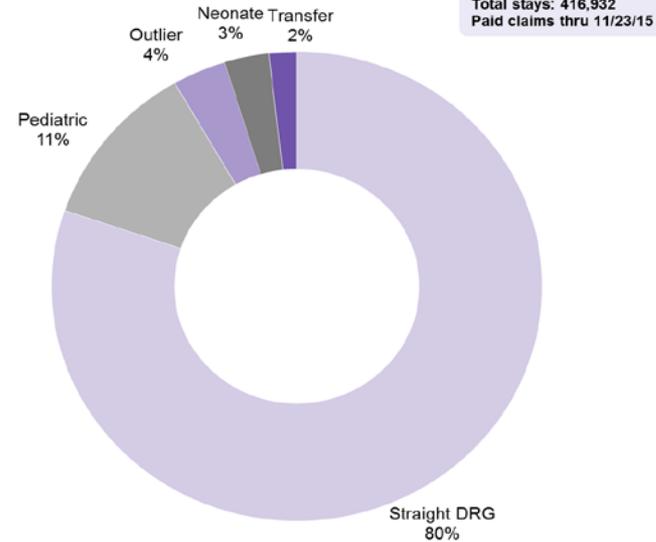


Years 1 and 2 DRG stays paid thru 11/23/15, including NDPH stays prior to 1/1/14.

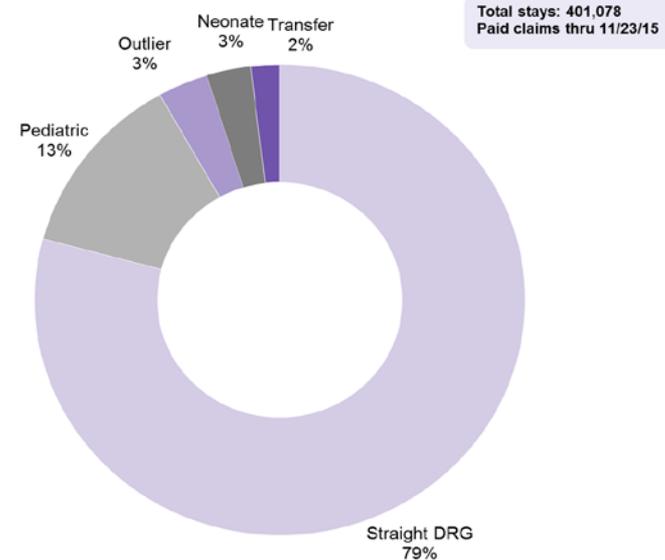
Year 1 and Year 2 Actual How Claims Were Paid

- In Year 1, 80% of claims paid by straight DRG
 - This dropped to 79% in Year 2
- In Year 1, 14% of claims received pediatric or neonate policy adjustor increase
 - This increased to 16% in Year 2
- Outliers comprised 4% of stays in Year 1 and decreased to 3% in Year 2; remained at 17% of payments over Years 1 and 2

Year 1 Paid Stays by Category



Year 2 Paid Stays by Category

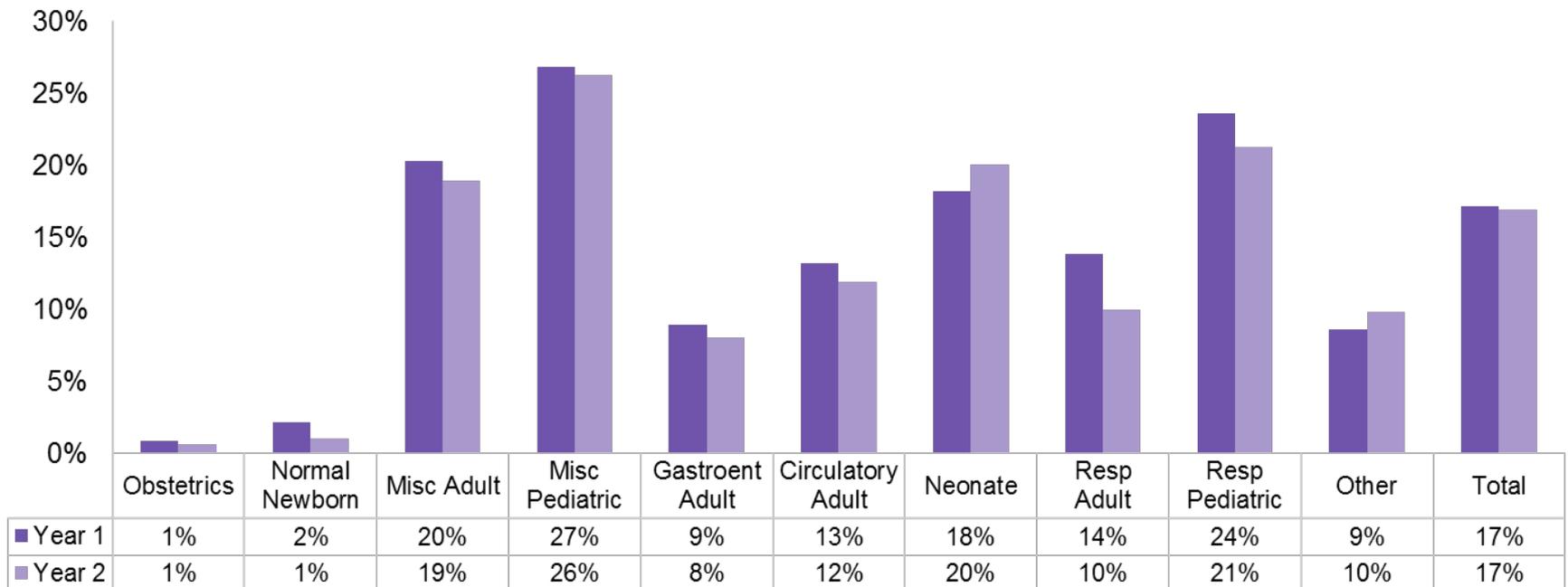


Year 1 and Year 2 Actual

Outlier Payments by Care Category

- Neonate, adult and pediatric misc. comprised 65% of payments in both Years 1 and 2, ranging from 18-27% of their payments as outlier
- Pediatric resp. also has higher outlier payments at 24% and 21% in Years 1 and 2

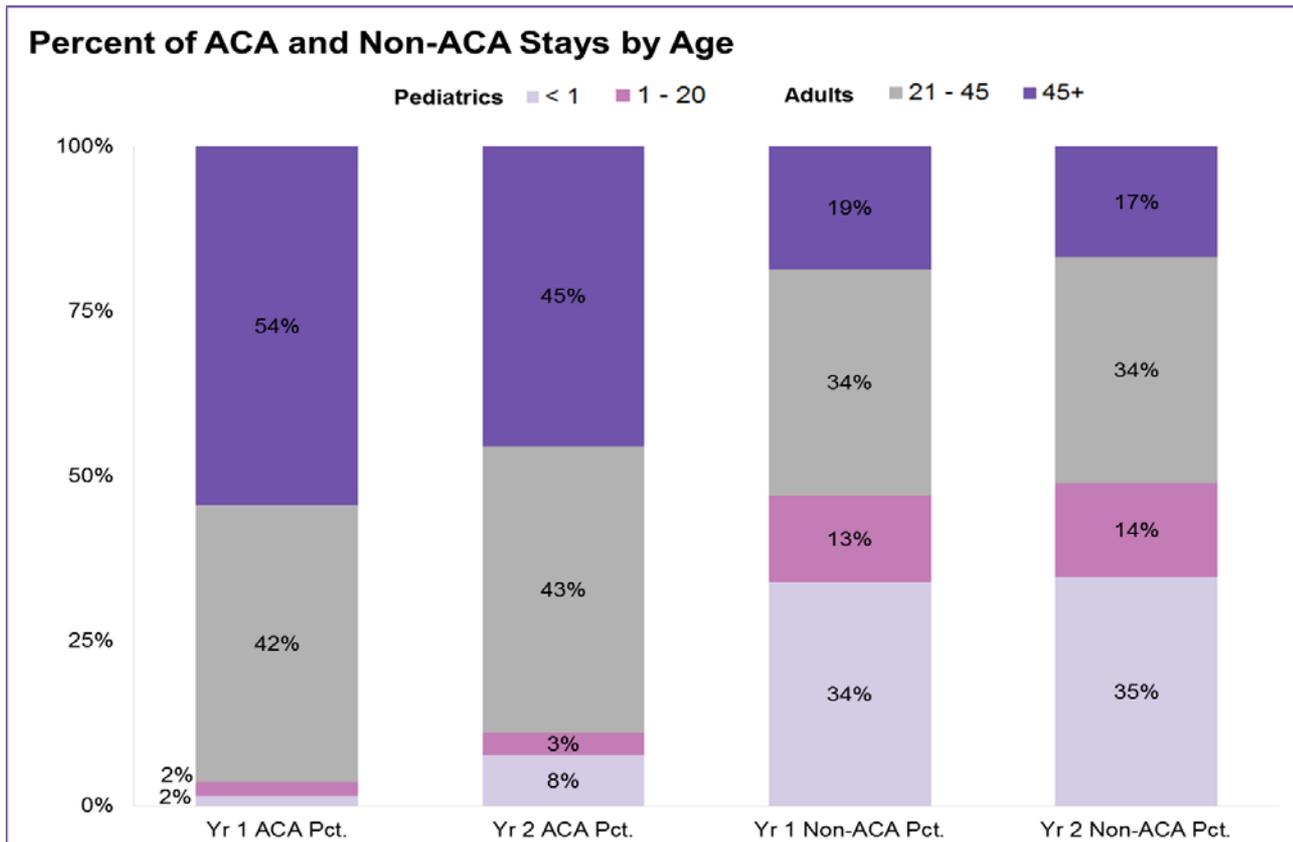
Outlier Percentage by Medicaid Care Category



Years 1 and 2 DRG stays paid thru 11/23/15, including NDPH stays prior to 1/1/14.

Year 1 and Year 2 Actual Medicaid Expansion Population

- The ACA expansion population is primarily adults; expanding to include more of the under 1 population



Years 1 and 2 DRG stays paid thru 11/23/15, including NDPH stays prior to 1/1/14.

Year 1 and Year 2 Actual ACA Population

- DRGs for the ACA population are as expected for an adult population

Top 10 Reasons for Inpatient Admission Among Newly Eligible Medicaid Beneficiaries Under the ACA							
Year 1 Ranked in Declining Order of Payment				Year 2 Ranked in Declining Order of Payment			
APR DRG	Description	Stays	Payment	APR DRG	Description	Stays	Payment
004	Trach, MV 96+ Hrs, w Ext Proc	141	\$29,205,691	720	Septicemia & Disseminated Inf	2,869	\$42,643,331
720	Septicemia & Disseminated Inf	1,617	\$27,164,678	004	Trach, MV 96+ Hrs, w Ext Proc	214	\$39,090,263
710	Inf & Parasit Dis Incl HIV w O.R. Proc	401	\$18,952,704	710	Inf & Parasit Dis Incl HIV w O.R. Proc	690	\$27,766,705
005	Trach, MV 96+ Hrs, w/o Ext Proc	100	\$13,367,086	005	Trach, MV 96+ Hrs, w/o Ext Proc	152	\$20,468,085
021	Craniotomy Exc for Trauma	184	\$10,705,983	912	Muscskl Procs Mult Sig Trauma	251	\$13,737,275
174	Percut CV Procs w Ami	415	\$8,249,634	021	Craniotomy Exc for Trauma	259	\$13,592,650
911	Ext Trunk Procs Mult Sig Trauma	95	\$8,005,931	174	Percut CV Procs w Ami	606	\$12,143,014
263	Laparoscopic Cholecystectomy	781	\$7,994,212	263	Laparoscopic Cholecystectomy	1,179	\$11,385,761
912	Muscskl Procs Mult Sig Trauma	133	\$7,191,690	911	Ext Trunk Procs Mult Sig Trauma	136	\$10,440,189
165	Coronary Bypass w Cath	114	\$6,482,017	221	Maj Small & Large Bow el Procs	394	\$9,915,971
Year 1 Ranked in Declining Order of Stays				Year 2 Ranked in Declining Order of Stays			
APR DRG	Description	Stays	Payment	APR DRG	Description	Stays	Payment
720	Septicemia & Disseminated Inf	1,617	\$27,164,678	640	Normal New born, Bw t >2499G	3,108	\$2,884,411
383	Cellulitis & Oth Bact Skin Inf	1,159	\$5,837,232	720	Septicemia & Disseminated Inf	2,869	\$42,643,331
194	Heart Failure	851	\$6,464,598	560	Vaginal Del	2,476	\$6,212,173
263	Laparoscopic Cholecystectomy	781	\$7,994,212	383	Cellulitis & Oth Bact Skin Inf	1,848	\$8,485,528
420	Diabetes	698	\$3,903,676	194	Heart Failure	1,403	\$9,821,355
775	Alcohol Abuse & Dependence	672	\$4,387,518	540	Cesarean Del	1,272	\$5,866,061
282	Dis of Pancreas Exc Malig	627	\$5,057,361	420	Diabetes	1,201	\$6,229,076
139	Oth Pneumonia	621	\$4,407,803	263	Laparoscopic Cholecystectomy	1,179	\$11,385,761
225	Appendectomy	613	\$5,094,082	775	Alcohol Abuse & Dependence	1,169	\$7,460,688
45	CVA & Precereb Occl w Infarct	561	\$5,210,669	282	Dis of Pancreas Exc Malig	1,058	\$7,643,771

Notes:

1. Year 1 total stays = 428,062; paid through 11/23/2015.

2. Year 2 total stays = 401,078; paid through 11/23/2015.

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Years 1 - 4 Policy Summary

Stability as a guiding theme with regular updates:

- Base Rates for 4 years as anticipated in 2013
- Budget neutral overall
- Policy adjustors
- Inflationary changes applied to outliers with stable structure
- Updates to DRG software
- Updates to national wage areas

Changes:

- Years 3 & 4
 - New OB policy adjustor
 - Wage area neutrality factor applied
 - HSRV relative weights

No documentation, coding and capture improvement after Year 1

Year 4 Updates

Year 4 Policy

1. Stability—no change to policy adjustors, outlier calculations, pricing logic
2. Budget-neutral relative to Year 3
 - Actual Year 4 payments depend on actual utilization and casemix
3. All hospitals receive statewide or remote rural base rates; slight increase in base rates from planned
 - Of 337 CA hospitals, 209 that had transitional payment rates will move to the statewide rate
4. Outlier thresholds increased 4%, just over charge inflation (3.59%)
5. Wage area neutrality adjustor re-centers Medicare wage area values so they reflect only relative differences within California; Neutrality adjustment factor – 0.9690 adjustment to labor share portion of wage area
6. APR-DRG V.32 grouper and relative weights were used to model ICD-9 claims; V.32 and V.33 hospital-specific relative value (HSRV) weights are identical
 - Plan to implement V.33 APR-DRG grouper for Year 4 effective July 1, 2016

Year 4 Updates

Hospital-Specific DRG Base Rates

- Goal – budget neutrality Year 3 to Year 4 – not hospital-specific
- Rate notification
 - Statewide base rates slightly higher than expected for Year 4
 - Remote rural statewide hospital base rates slightly increased
- To see hospital-specific base rates adjusted for wage area, visit the DRG webpage/DRG Pricing Resources for SFY 2016-17:
 - SFY 16/17 Grouper Setting
 - SFY 16/17 DRG Pricing Calculator
 - SFY 16/17 Hospital Characteristics File



APR-DRG Grouper Update V.32 to V.33

- Important to update APR-DRG version to keep pace with changes in medicine and practice
- No intentional change in DRG logic
 - Changes from V.29 to V.30 is the most significant change in 10 years; nevertheless, not a major change
 - No logic changes between versions 30, 31, 32 and 33
 - New procedure codes were implemented October 1, 2015; embedded in Mapper V.33 update implemented April 25, 2016
- Still 314 base DRGs, each with 4 levels of severity
- Relative weights calculated by 3M from 15 million stays from the National Inpatient Sample (HSRV)

Year 4 Updates

Key Payment Values

FAQ Table 1 Summary of Four Years of DRG Payment Policies				
Payment Policy	Year 1 Values (SFY 2013-14)	Year 2 Values (SFY 2014-15)	Year 3 Values (SFY 2015-16)	Year 4 Values (SFY 2016-17)
DRG Base Rates				
DRG base rate, statewide	\$6,223	\$6,289	\$6,289	\$6,320
DRG base rate, statewide (remote rural hospitals)	\$10,218	\$10,640	\$12,768	\$12,832
Payment to non-transition hospitals	Statewide DRG base rate adjusted for Medicare FFY 2013 wage area values	Statewide DRG base rate adjusted for Medicare FFY 2014 wage area values	Statewide DRG base rate adjusted for Medicare FFY 2015 wage area values and the 0.9797 wage area neutrality factor	Statewide DRG base rate adjusted for Medicare FFY 2016 wage area values and the 0.9690 wage area neutrality factor
Payment to transition hospitals	Hospital-specific, as shown in separate document ¹	Hospital-specific, as shown in separate document ²	Hospital-specific, as shown in separate document ³	Transition has ended as expected; all hospitals at non-remote rural and remote rural statewide rates
Adjustment for wage area values	Similar to Medicare, reflecting a labor share of 68.8%	Similar to Medicare, reflecting a labor share of 69.6%	Similar to Medicare, reflecting a labor share of 69.6%, then adjusted by 0.9797 to neutralize CA changes compared to U.S.	Similar to Medicare, reflecting a labor share of 69.6%, adjusted by 0.9690 to neutralize CA changes compared to U.S.
Adjustment to base rates for improved documentation, coding and capture of diagnoses and procedures	-3.50%	None	None	None
DRG Grouper				
DRG version	APR-DRG V.29	APR-DRG V.31	APR-DRG V.32	APR-DRG V.33
DRG relative weights	APR-DRG V.29 national, charge-based	APR-DRG V.31 national, charge-based	APR-DRG V.32 national hospital-specific relative value (HSRV) weights	APR-DRG V.33 national HSRV weights are unchanged from V.32
National average length of stay benchmarks (used in calculating transfer adjustments)	APR-DRG V.29 (arithmetic, untrimmed)	APR-DRG V.31 (arithmetic, untrimmed)	APR-DRG V.32 (arithmetic, untrimmed)	APR-DRG V.33 (arithmetic, untrimmed), unchanged from V.32

Year 4 Updates

Key Payment Values

FAQ Table 1				
Summary of Four Years of DRG Payment Policies				
Payment Policy	Year 1 Values (SFY 2013-14)	Year 2 Values (SFY 2014-15)	Year 3 Values (SFY 2015-16)	Year 4 Values (SFY 2016-17)
Outlier Policy Factors				
Hospital-specific cost-to-charge ratios (CCR)	Most recent CCR available for Year 1, as determined by DHCS	FYE 2012 cost report (some exceptions may apply)	FYE 2013 cost report (some exceptions may apply)	FYE 2014 cost report (some exceptions may apply)
High side (provider loss) tiers and marginal cost (MCoSt) percentages ³	\$0-\$40,000: no outlier payment \$40,001 to \$125,000: MC = 0.60 >\$125,000: MCoSt = 0.80	\$0-\$42,040: no outlier payment \$42,041 to \$131,375: MC = 0.60 >\$131,375: MCoSt = 0.80	\$0-\$45,000: no outlier payment \$45,001 to \$145,000: MC = 0.60 >\$145,000: MCoSt = 0.80	\$0-\$46,800: no outlier payment \$46,801 to \$150,800: MC = 0.60 >\$150,800: MCoSt = 0.80
Low side (provider gain) tiers and marginal cost percentages ³	\$0-\$40,000: no outlier reduction >\$40,000: MCoSt = 0.60	\$0-\$42,040: no outlier reduction >\$42,040: MCoSt = 0.60	\$0-\$45,000: no outlier reduction >\$45,000: MCoSt = 0.60	\$0-\$46,800: no outlier reduction >\$46,800: MCoSt = 0.60
Other Payment Policies				
Policy adjustor – neonate at designated NICU	1.75	1.75 (No change)	1.75 (No change)	1.75 (No change)
Policy adjustor – neonate at other NICU	1.25	1.25 (No change)	1.25 (No change)	1.25 (No change)
Policy adjustor – obstetric	n/a	n/a	1.06	1.06 (No change)
Policy adjustor – pediatric miscellaneous, pediatric respiratory	1.25	1.25 (No change)	1.25 (No change)	1.25 (No change)
Pediatric age cutoff	<21	<21 (No change)	<21 (No change)	<21 (No change)
Discharge status values for the transfer adjustment	02, 05, 65, 66	02, 05, 63, 65, 66, 82, 85, 91, 93, and 94	02, 05, 63, 65, 66, 82, 85, 91, 93, and 94 ⁵	02, 05, 63, 65, 66, 82, 85, 91, 93, and 94 (No change)

Designated NICU Policy Adjustor

- For purposes of receiving the enhanced designated NICU policy adjustor, a hospital must:
 - Be performing services assigned to the neonate care category
 - Have been approved by California Children's Services (CCS) and continue to meet the standards of either a Regional NICU or a Community NICU with neonatal surgery
 - Pass periodic CCS review; hospital review may be conducted annually or as deemed necessary by CCS
 - These reviews will determine whether the hospital continues to meet all applicable neonatal surgery standards
- If the CCS NICU-surgery approval/status of a hospital on the above list is revoked or otherwise terminated, then that hospital will not receive the designated NICU-Surgery Policy Adjustor, effective the date approval/status ceases.
- Refer to SPA 16-011 for further information (pending federal approval)

Year 4 Updates

Update Wage Area and Index Values

- Policy is to follow Medicare
- Applies to all hospitals in Year 4
- Labor share portion of cost updated by Medicare
 - Remains at 69.6% in FFY 2016
 - Calculation (e.g., statewide base rate = \$6,320 and wage area index = 1.3012)
 - 0.9690 neutrality adjustment factor new July 1, 2016, to neutralize CA impact relative to U.S
 - $(\$6,320 \times 0.696 \times 1.3012 \times 0.9690) + (\$6,320 \times 0.304) = \$7,468$
- Each year the Medicare Impact File updates wage area assignments and index values for Medicare prospective payment hospitals
 - www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/AcuteInpatientPPS/index.html
 - For FFY 2016, most California hospitals saw a decrease in their Medicare wage area value
 - Medicare values for FFY 2016 (as of October 2015 correction notice to the final rule)
 - For children's hospitals, Medicare CAHs and others not listed on the Medicare Impact file, we assign wage areas and index values by geographic location
- Hospital-specific rehab rates are wage area adjusted each year, so the wage area was also adjusted by the neutrality factor to calculate the rehab rates for SFY 2016-17

Year 4 Updates

Wage Area Index Values

Wage Area Index Values					
CBSA Number	CBSA Name	DRG Year 1	DRG Year 2	DRG Year 3	DRG Year 4
		FFY '13 Wage Index	FFY '14 Wage Index	FFY '15 Wage Index (Neutral Factor 0.9797)	FFY '16 Wage Index (Neutral Factor 0.9690)
05	California (Rural)	1.2282	1.2477	1.2620	1.2609
11244	Anaheim-Santa Ana-Irvine, CA	N/A	N/A	1.2620	1.2609
12540	Bakersfield, CA	1.2282	1.2477	1.2620	1.2609
17020	Chico, CA	1.2282	1.2477	1.2620	1.2609
20940	El Centro, CA	1.2282	1.2477	1.2620	1.2609
23420	Fresno, CA	1.2282	1.2477	1.2620	1.2609
25260	Hanford-Corcoran, CA	1.2282	1.2477	1.2620	1.2609
31084	Los Angeles-Long Beach-Glendale, CA	1.2282	1.2477	1.2620	1.2609
31460	Madera, CA	1.2282	1.2477	1.2620	1.2609
32900	Merced, CA	1.2613	1.2482	1.2620	1.2613
33700	Modesto, CA	1.2880	1.3401	1.2630	1.2609
34900	Napa, CA	1.5575	1.4932	1.5287	1.4817
36084	Oakland-Hayward-Berkeley, CA	1.6090	1.6439	1.6143	1.6369
36084	Oakland-Hayward-Berkeley, CA -- reclassified hospitals	N/A	1.6215	1.5984	1.6218
37100	Oxnard-Thousand Oaks-Ventura, CA	1.2815	1.3019	1.2620	1.2609
39820	Redding, CA	1.3822	1.4390	1.3900	1.3919
39820	Redding, CA -- reclassified hospitals	1.2282	1.3913	1.3587	1.3689
40140	Riverside-San Bernardino-Ontario, CA	1.2282	1.2477	1.2620	1.2609
40900	Sacramento--Roseville--Arden-Arcade, CA	1.4203	1.4877	1.4946	1.52
41500	Salinas, CA	1.5968	1.5678	1.5242	1.5535
41740	San Diego-Carlsbad, CA	1.2282	1.2477	1.2620	1.2609

Year 4 Updates

Wage Area Index Values

New CBSA Number	New CBSA Name	DRG Year 1	DRG Year 2	DRG Year 3	DRG Year 4
		FFY '13 Wage Index	FFY '14 Wage Index	FFY '15 Wage Index (Neutral Factor 0.9797)	FFY '16 Wage Index (Neutral Factor 0.9690)
41884	San Francisco-Redwood City-South San Francisco, CA	1.5889	1.6269	1.6398	1.6277
41940	San Jose-Sunnyvale-Santa Clara, CA	1.6801	1.6650	1.6831	1.6643
42020	San Luis Obispo-Paso Robles-Arroyo Grande, CA	1.2461	1.2477	1.2620	1.2609
42034	San Rafael, CA	N/A	N/A	1.6513	1.6669
42100	Santa Cruz-Watsonville, CA	1.7471	1.7276	1.6889	1.722
42100	Santa Cruz-Watsonville, CA -- reclassified hospitals	N/A	N/A	1.6584	1.6527
42200	Santa Maria-Santa Barbara, CA	N/A	N/A	1.2620	1.2609
42220	Santa Rosa, CA	1.6082	1.6337	1.5859	1.5808
44700	Stockton-Lodi, CA	1.3148	1.3505	1.3303	1.2609
46700	Vallejo-Fairfield, CA	1.5353	1.5749	1.5794	1.5764
47300	Visalia-Porterville, CA	1.2282	1.2477	1.2620	1.2609
49700	Yuba City, CA	1.2282	1.2477	1.2620	1.2609

Source: CMS, Medicare inpatient final rule for FFY 2016.

Notes:

1. CBSA = Core Based Statistical Area. FFY = Federal fiscal year (October-September).
2. The wage index values Medi-Cal uses to calculate DRG base rates are derived from the current federal fiscal year's Medicare Impact File.
3. The wage area neutrality adjustor re-centers Medicare wage area values so they reflect only relative differences within California. In SFY 2015-16 (DRG Year 3), Medi-Cal adjusted wage index values by a factor of 0.9797. Wage area index values are adjusted by 0.9690 in SFY 2016-17 (DRG Year 4).

Agenda

1. DRG Background
2. Year 1 and Year 2 Actual
3. Year 4 Updates
- 4. Billing Points**
5. Provider Education

Billing Points

Coding Improvement

Year 1 and Year 2 Average Diagnosis and Procedures by Medicaid Care Category					
Year	MCC	Stays	Avg Dx	Avg Proc	Avg Dx Proc
Analytical dataset	Circulatory adult	31,586	9.9	1.9	11.8
Year 1	Circulatory adult	21,156	11.2	1.9	13.1
Year 2	Circulatory adult	21,185	11.0	1.9	12.9
Analytical dataset	Gastroent adult	33,200	8.2	1.7	9.9
Year 1	Gastroent adult	27,445	8.9	1.5	10.4
Year 2	Gastroent adult	29,547	8.4	1.5	9.9
Analytical dataset	Misc adult	80,309	9.9	1.8	11.7
Year 1	Misc adult	68,211	11.2	1.7	12.9
Year 2	Misc adult	70,129	10.8	1.7	12.4
Analytical dataset	Misc pediatric	38,034	4.2	1.5	5.7
Year 1	Misc pediatric	43,348	6.1	1.8	7.9
Year 2	Misc pediatric	44,117	6.4	1.8	8.2
Analytical dataset	Neonate	10,500	4.0	1.5	5.6
Year 1	Neonate	18,169	8.4	2.6	11.0
Year 2	Neonate	17,006	8.7	2.8	11.5
Analytical dataset	Normal new born	144,431	0.2	0.1	0.2
Year 1	Normal new born	103,496	2.8	0.7	3.5
Year 2	Normal new born	91,549	2.9	0.7	3.5
Analytical dataset	Obstetrics	157,413	3.9	2.1	6.0
Year 1	Obstetrics	119,531	4.5	2.2	6.7
Year 2	Obstetrics	100,073	4.7	2.2	6.9
Analytical dataset	Other	3,383	5.6	0.8	6.4
Year 1	Other	2,329	9.6	0.5	10.1
Year 2	Other	3,354	9.3	0.5	9.7
Analytical dataset	Resp adult	25,551	9.9	1.1	11.0
Year 1	Resp adult	14,443	11.1	1.1	12.2
Year 2	Resp adult	12,549	10.8	1.0	11.8
Analytical dataset	Resp pediatric	14,063	4.0	0.5	4.5
Year 1	Resp pediatric	9,934	6.8	0.8	7.6
Year 2	Resp pediatric	11,569	6.6	0.7	7.3

Notes:

- "Other" comprises rehabilitation and mental health.
 - Year 1 and Year 2 data paid through 11/23/15 (four month run-out for Year 2).
 - Analytical dataset comprised of claims with discharge dates between 1/1-12/31/09, paid thru Dec 27, 2010.
- Source: Medi-Cal DRG Project: Summary of Analytical Dataset (December 2011).

- Neonate, Normal Newborns and "Other" categories show the most change of coding improvement since DRGs were implemented
- Average procedures per claim for Normal Newborns in the analytical dataset are low due to newborn stays being inferred from claims where mom and baby were included on the same claim.



Improved Coding for Babies using ICD-10

- Comprehensive and accurate coding is imperative to achieve the most accurate DRG assignment
- ICD-10 has more specificity for capturing birthweight and gestational age for newborns which affects your DRG assignment
 - Providers utilize different criteria in determining prematurity. A code for prematurity should not be assigned unless it is documented.
 - When both birthweight and gestational age of the newborn are available, two codes should be assigned with the code for birth weight sequenced before the code for gestational age

Source: http://www.cdc.gov/nchs/data/icd/10cmguidelines_2016_final.pdf

Inpatient Claims Processing Information



- See provider bulletins for claims instructions.
- Summary of inpatient claims processing information with status and necessary action will be posted on the DRG webpage.

▶ Provider Education and Bulletins

Below you will find current information about Provider Education and Bulletins.

Provider Bulletins

- [Update to Timeliness Date Extended for Resubmission of DRG Claims Over 22 Lines February 2016 \(PDF\)](#)
- [DRG Claims Erroneously Denied with RAD Code 9953 Resolved January 2016 \(PDF\)](#)
- [Reimbursement Instructions for DRG Claims with New Patient Status Codes January 2016 \(PDF\)](#)
- [DRG Claims Erroneously Grouping to APR-DRG 951 and 952 December 2015 \(PDF\)](#)
- [Update RTDs for DRG Organ Procurement Claims November 2015 \(PDF\)](#)
- [MCP and Fee-For-Service Billing for Inpatient Stays at DRG Hospitals September 2015 \(PDF\)](#)
- [DRG Claims Erroneously Denied with RAD Code 0314 August 2015 \(PDF\)](#)
- [Rehabilitation and Admin Level 2 \(PDF\)](#)
- [CCRs and SARs May 2013 \(PDF\)](#)
- [Updates to Web Page April 2013 \(PDF\)](#)
- [OB/Newborn Services February 2013 \(PDF\)](#)
- [2009 Datasets January 2013 \(PDF\)](#)
- [Contract/HFPA Changes 11/2012 \(PDF\)](#)

Year 3 Grouper Software Settings Effective 4/25/16

- **HAC version:**

- V.32 ICD-9 is used for ICD-9 coded claims from years 1-3 of DRG on and after April 25, 2016
- V.33 ICD-10 is used for ICD-10 coded claims from Year 3 of DRGs

- **Entered Code Mapping:** Each July 1, the newest version of the APR-DRG grouper is implemented (V.32 July 1, 2015), which requires the setting for *no code mapping* for admissions between 7/1/15-9/30/15. *For **discharges** after 10/1/15, mapping is required due to ICD-10 implementation even if the admission is prior to 10/1/15. In this case, choose V.33 for ICD-10 claims. As usual, mapping is required for admissions on and after 10/1/15.*

- **Mapping Type:** Choose none or historical based on admission and discharge dates. *For SFY 2015-16, any claim with a **discharge date** on or after 10/1/15 will require historical mapping.*

- **Grouper ICD Version Qualifier (grouper) or (ICD version indicator (located on claim record)):**

- The “ICD version indicator” should be set to “9” on the claim record if the claim is coded with ICD-9-CM/PCS codes (ICD-9 setting for the grouper)
- Claims are required to be coded using ICD-10 when the date of discharge is on or after 10/1/2015. Therefore, the “ICD version indicator” should be set to “0” on the claim record. (ICD-10 setting for the grouper)

Note: see the revised Year 3 Grouper Settings document on the DRG Webpage at <http://www.dhcs.ca.gov/provgovpart/Pages/PricingResources2015.aspx>

Year 3 Grouper Software Settings Effective 4/25/16

- Year 3 settings are unique due to ICD-10 implementation which is based on discharge date while DRG policy is based on admission date
- Hospitals need not buy APR-DRG software or put the DRG on the claim
- Hospitals that try to mimic Medi-Cal DRG pricing must be sure to use the appropriate software settings based on the admission date of the hospital stay.

Year 3 SFY 2015 16 Medi Cal DRG Claims Grouper Setting Options						
Scenario	Option	Admit Date	Discharge Date	Mapping	ICD Version	Comments
A	1	On or between 7/1/15-9/30/15	On or between 7/1/15-9/30/15	No mapping required	ICD-9 (9)	ICD-9 coding and V.32 current version of grouper requires no mapping.
B	2	On or between 7/1/15-9/30/15	On or after 10/1/15	Historical mapping	ICD-10 (0)	As of 4/25/16, ICD-10 codes are mapped to ICD-10 codes using V.33 of the mapper.
C	2	On or after 10/1/15	On or after 10/1/15	Historical mapping	ICD-10 (0)	As of 4/25/16, ICD-10 codes are mapped to ICD-10 codes using V.33 of the mapper.

Source: SFY 15/16 DRG Grouper Setting. <http://www.dhcs.ca.gov/provgovpart/Pages/PricingResources2015.aspx>



Billing Points

Year 3 Grouper Software Settings Effective 4/25/16

Year 3 CA DRGs SFY 2015-16 Admit and Discharge Date on or after 7/1/15 and before 10/1/15 (ICD-9 claims)

User key1:	<input type="text" value="Y3"/>	User key2:	<input type="text"/>	<input type="button" value="What's This?"/>
Begin date:	<input type="text" value="07/01/2015"/>	End date:	<input type="text" value="09/30/2015"/>	<input type="button" value="Print"/>
Description:	<input type="text" value="Year3"/>			<input type="button" value="Clear"/>
Modified date:	<input type="text" value="03/18/2016"/>			<input type="button" value="Cancel"/>
Grouper version:	<input type="text" value="APR DRG Grouper version 32.0 (10/01/2014)"/>			<input type="button" value="Save"/>
Grouper ICD version qualifier:	<input type="text" value="ICD-9"/>			<input type="button" value="Save as..."/>
PPC version:	<input type="text" value="None"/>			
HAC version:	<input type="text" value="HAC Version 32.0 for California Medicaid (10/01/2014)"/>			
Payer Logic Indicator:	<input type="text" value="None (Standard 3M APR DRG)"/>			
Birth weight option:	<input type="text" value="Coded weight with default"/>			
Discharge DRG option:	<input type="text" value="Compute excluding only non-POA Complication of Care codes"/>			
Keyed by:	<input type="text" value="Admit date"/>			
Entered code mapping:	<input type="text" value="None"/>			
Mapping type:	<input type="text"/>			

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Billing Points

Year 3 Grouper Software Settings Effective 4/25/16

Year 3 CA DRGs SFY 2015-16 Discharge Date on or after 10/1/15 (ICD-10 claims)

User key1:	<input type="text" value="Y3A"/>	User key2:	<input type="text"/>	<input type="button" value="What's This?"/>	
Begin date:	<input type="text" value="07/01/2015"/>	End date:	<input type="text" value="06/30/2016"/>		<input type="button" value="Print"/>
Description:	<input type="text" value="Year3A"/>				<input type="button" value="Clear"/>
Modified date:	<input type="text" value="05/22/2016"/>				<input type="button" value="Cancel"/>
Grouper version:	<input type="text" value="APR DRG Grouper version 32.0 (10/01/2014)"/>			<input type="button" value="Save"/>	
Grouper ICD version qualifier:	<input type="text" value="ICD-10"/>			<input type="button" value="Save as..."/>	
PPC version:	<input type="text" value="None"/>				
HAC version:	<input type="text" value="HAC Version 33.0 for California Medicaid (10/01/2015)"/>				
Payer Logic Indicator:	<input type="text" value="None (Standard 3M APR DRG)"/>				
Birth weight option:	<input type="text" value="Coded weight with default"/>				
Discharge DRG option:	<input type="text" value="Compute excluding only non-POA Complication of Care codes"/>				
Keyed by:	<input type="text" value="Admit date"/>				
Entered code mapping:	<input type="text" value="ICD-10-CM/PCS Version 33.0 effective 10/01/2015"/>				
Mapping type:	<input type="text" value="Historical"/>				

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Year 2 Grouper Software Settings Effective 4/25/2016

- Long stays discharged after 10/1/15 are impacted by ICD-10 implementation
- Hospitals need not buy APR-DRG software or put the DRG on the claim
- Hospitals that try to mimic Medi-Cal DRG pricing must be sure to use the appropriate software settings based on the admission date of the hospital stay.

Year 2 SFY 2014 15 Medi Cal DRG Claims Grouper Setting Options						
Scenario	Option	Admit Date	Discharge Date	Mapping	ICD Version	Comments
A	1	On or between 7/1/14-9/30/14	Prior to 10/1/15	No mapping required	ICD-9 (9)	ICD-9 coding and V.31 current version of grouper requires no mapping.
B	2	On or after 10/1/14	Prior to 10/1/15	Historical mapping	ICD-9 (9)	ICD-9 coding and V.31 current version of grouper; V.32 of the mapper.
C	3	On or between 7/1/14-6/30/15	On or after 10/1/15	Historical mapping	ICD-10 (0)	As of 4/25/16, ICD-10 codes are mapped to ICD-9 codes using V.33 of the mapper.

Source: SFY 14/15 DRG Grouper Setting. <http://www.dhcs.ca.gov/provgovpart/Pages/DRG-pricing-sfy201415.aspx>



Billing Points

Year 2 Grouper Software Settings Effective 4/25/2016

Year 2 CA DRGs SFY 2014-15 Admission Date from 7/1/14 to 9/30/14 (ICD-9 Claims)

User key1:	<input type="text" value="Y2"/>	User key2:	<input type="text"/>	<input data-bbox="1354 465 1528 508" type="button" value="What's This?"/>
Begin date:	<input type="text" value="07/01/2014"/>	End date:	<input type="text" value="09/30/2014"/>	<input data-bbox="1354 522 1528 565" type="button" value="Print"/>
Description:	<input type="text" value="Year2"/>			<input data-bbox="1354 579 1528 622" type="button" value="Clear"/>
Modified date:	<input type="text" value="03/18/2018"/>			<input data-bbox="1354 636 1528 679" type="button" value="Cancel"/>
Grouper version:	<input type="text" value="APR DRG Grouper version 31.0 (10/01/2013)"/>			<input data-bbox="1354 694 1528 736" type="button" value="Save"/>
Grouper ICD version qualifier:	<input type="text" value="ICD-9"/>			<input data-bbox="1354 751 1528 793" type="button" value="Save as..."/>
PPC version:	<input type="text" value="None"/>			
HAC version:	<input type="text" value="HAC Version 32.0 for California Medicaid (10/01/2014)"/>			
Payer Logic Indicator:	<input type="text" value="None (Standard 3M APR DRG)"/>			
Birth weight option:	<input type="text" value="Coded weight with default"/>			
Discharge DRG option:	<input type="text" value="Compute excluding only non-POA Complication of Care codes"/>			
Keyed by:	<input type="text" value="Admit date"/>			
Entered code mapping:	<input type="text" value="None"/>			
Mapping type:	<input type="text"/>			

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Billing Points

Year 2 Grouper Software Settings Effective 4/25/2016

Year 2 CA DRGs SFY 2014-15 Admission Date from 10/1/14 to 6/30/15 (ICD-9 Claims)

User key1:	<input type="text" value="Y2A"/>	User key2:	<input type="text"/>	<input type="button" value="What's This?"/> <input type="button" value="Print"/> <input type="button" value="Clear"/> <input type="button" value="Cancel"/> <input type="button" value="Save"/> <input type="button" value="Save as..."/>
Begin date:	<input type="text" value="10/01/2014"/>	End date:	<input type="text" value="06/30/2015"/>	
Description:	<input type="text" value="Year 2A"/>			
Modified date:	<input type="text" value="03/18/2016"/>			
<hr/>				
Grouper version:	<input type="text" value="APR DRG Grouper version 31.0 (10/01/2013)"/>			
Grouper ICD version qualifier:	<input type="text" value="ICD-9"/>			
PPC version:	<input type="text" value="None"/>			
HAC version:	<input type="text" value="HAC Version 32.0 for California Medicaid (10/01/2014)"/>			
Payer Logic Indicator:	<input type="text" value="None (Standard 3M APR DRG)"/>			
Birth weight option:	<input type="text" value="Coded weight with default"/>			
Discharge DRG option:	<input type="text" value="Compute excluding only non-POA Complication of Care codes"/>			
Keyed by:	<input type="text" value="Admit date"/>			
Entered code mapping:	<input type="text" value="ICD-9-CM Version 32.0 effective 10/01/2014"/>			
Mapping type:	<input type="text" value="Historical"/>			

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Billing Points

Year 2 Grouper Software Settings Effective 4/25/2016

Year 2 CA DRGs SFY 2014-15 Admission Date from 7/1/14 to 6/30/15 with discharge date after 10/1/15 (ICD-10 Claims)

User key1:	<input type="text" value="Y2B"/>	User key2:	<input type="text"/>	<input type="button" value="What's This?"/> <input type="button" value="Print"/> <input type="button" value="Clear"/> <input type="button" value="Cancel"/> <input type="button" value="Save"/> <input type="button" value="Save as..."/>
Begin date:	<input type="text" value="07/01/2014"/>	End date:	<input type="text" value="06/30/2016"/>	
Description:	<input type="text" value="ICD-10 Mapped to V.31"/>			
Modified date:	<input type="text" value="05/19/2016"/>			
Grouper version:	<input type="text" value="APR DRG Grouper version 31.0 (10/01/2013)"/>			
Grouper ICD version qualifier:	<input type="text" value="ICD-10"/>			
PPC version:	<input type="text" value="None"/>			
HAC version:	<input type="text" value="HAC Version 33.0 for California Medicaid (10/01/2015)"/>			
Payer Logic Indicator:	<input type="text" value="None (Standard 3M APR DRG)"/>			
Birth weight option:	<input type="text" value="Coded weight with default"/>			
Discharge DRG option:	<input type="text" value="Compute excluding only non-POA Complication of Care codes"/>			
Keyed by:	<input type="text" value="Admit date"/>			
Entered code mapping:	<input type="text" value="ICD-10-CM/PCS Version 33.0 effective 10/01/2015"/>			
Mapping type:	<input type="text" value="Historical"/>			

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Year 4 Grouper Software Settings Effective 7/1/2016

- Year 4 Grouper settings more straightforward since all claims use ICD-10 codes
- Hospitals need not buy APR-DRG software or put the DRG on the claim
- Hospitals that try to mimic Medi-Cal DRG pricing must be sure to use the appropriate software settings based on the admission date of the hospital stay.

Table 1

Year 4 SFY 2016-17 Medi-Cal DRG Claims Grouper Setting Options (5/23/16)

Option	Admit Date	Grouper Version	Mapping	HAC
1	07/1/16 to 09/30/16	V.33	None	V.33
2	10/1/16 to 06/30/17	V.33	Historical	V.33

Source: SFY 16/17 DRG Grouper Setting. http://www.dhcs.ca.gov/provgovpart/Pages/DRG_Pricing_Resources_for_SFY_2016-17.aspx

Billing Points

Year 4 Grouper Software Settings Effective 7/1/2016

Year 4 CA DRGs SFY 2016-17 Admission Date on or after 7/1/16 and before 10/1/2016

User key1:	<input type="text" value="Y4"/>	User key2:	<input type="text"/>	<input type="button" value="What's This?"/> <input type="button" value="Print"/> <input type="button" value="Clear"/> <input type="button" value="Cancel"/> <input type="button" value="Save"/> <input type="button" value="Save as..."/>
Begin date:	<input type="text" value="07/01/2016"/>	End date:	<input type="text" value="09/30/2016"/>	
Description:	<input type="text" value="Year 4"/>			
Modified date:	<input type="text"/>			
Grouper version:	<input type="text" value="APR DRG Grouper version 33.0 (10/01/2015)"/>			
PPC version:	<input type="text" value="None"/>			
HAC version:	<input type="text" value="HAC Version 33.0 for California Medicaid (10/01/2015)"/>			
Payer Logic Indicator:	<input type="text" value="None (Standard 3M APR DRG)"/>			
Birth weight option:	<input type="text" value="Coded weight with default"/>			
Discharge DRG option:	<input type="text" value="Compute excluding only non-POA Complication of Care codes"/>			
Keyed by:	<input type="text" value="Admit date"/>			
Entered code mapping:	<input type="text" value="None"/>			

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A screenshot showing what the grouper setting will be for with admission dates on or after 10/1/16 will not be available until the software is released later this year.

Agenda

1. DRG Background
2. Year 1 and Year 2 Actual
3. Year 4 Updates
4. Billing Points
- 5. Provider Education**

Looking Ahead

1. Year 5 policy review and technical changes

- System Updates- V.34 of Mapper and HAC Utility (released in Sept 2016); grouper V.34 (July 2017)
- Emphasize DRG base payments over outliers
- Re-evaluate policy adjustors
- Detailed study of rehab per diem; possible change in statewide base rates

2. Monitor legislation

3. Continued monitoring and reporting of DRG payment

Provider Education

Stay in Touch

- DHCS DRG webpage devoted to APR-DRG information
 - Reorganized Year 1, Year 2, Year 3, Year 4:
www.dhcs.ca.gov/provgovpart/Pages/DRG.aspx
- Join DRG listserve by emailing drg@dhcs.ca.gov
- Policy questions (NOT patient-specific information) to drg@dhcs.ca.gov
- Medi-Cal Learning Portal: <https://learn.medi-cal.ca.gov/Training/TrainingCalendar.aspx>
- Provider bulletins at http://files.medi-cal.ca.gov/pubsdoco/prevarticles_home.asp
- Medi-Cal Telephone Service Center 1-800-541-5555 from 8 a.m. to 5 p.m.

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