

This Computes!



**Department of Health Care Services
Children's Medical Services Network
(CMS Net) - Information Bulletin # 424**

Diagnosis Related Group (DRG) Information

The State CCS Program has received inquiries from county CCS programs regarding the July 1, 2013, transition of inpatient reimbursement for the non-public hospitals to Diagnostic Related Group (DRG) pricing methodology. Information on this new reimbursement protocol which will apply to both Medi-Cal and California Children's Services (CCS) inpatient episodes is available at:

<http://www.dhcs.ca.gov/provgovpart/Pages/DRG.aspx>

We specifically direct you to the DRG Provider Training PowerPoint (monthly series) document on the DRG webpage, which includes information on changes to treatment authorization policies. While the implications of this new reimbursement methodology for providers are complex, there will be only one significant change for CCS programs in the authorization of inpatient services:

Currently, CCS authorizes acute inpatient admissions on a per diem basis. Under DRGs CCS will simply authorize an acute inpatient admission but will no longer authorize a number of per diem days. For inpatient providers, under DRGs CCS authorized inpatient episodes will be billed in the same manner as an acute inpatient episode authorized by a Medi-Cal Field Office. Instructions on this billing will be promulgated before July 2013 in Medi-Cal Provider Bulletins and in the Medi-Cal Provider Manual. The aggregate fiscal implication DRG reimbursement for CCS will be cost neutrality.