Rebasing of Hospital Reimbursement – Grouping and Repricing VA DMAS

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Agenda

- I. Current Status
- II. Outpatient
 - a) Grouping
 - b) Repricing
 - i. Example
- III. Inpatient
 - a) Repricing
 - b) DRG Weight Adjustment for Clinical Cohesiveness
- IV. DRG Weight Setting
- V. Upcoming Activities

Current Status

Vir	ginia Medicaid Rebasing Milestones and I	Deliverable	2																
VIII	giria Medicala Rebasing Milestones and I		·	N	ove	mb	er)ece	emb	er		Jan	uary	,	F	ebr	uary	,
#	Milestones	Start Date	End Date	1	8	15	22	1	8	15	22	1	8	15	22	1	8	15	22
8	Reprice Inpatient DRG Claims	10/23/2023	12/10/2023																
9	Reprice Inpatient Per Diem Claims	11/25/2023	12/20/2023																
10	Reprice Outpatient EAPG Claims	11/8/2023	12/20/2023																
11	APR DRG State-Specific Weights	12/10/2023	12/20/2023																
12	Draft Modeling of DRG Rates and Parameters	12/15/2023	1/22/2024																
13	Draft Modeling of Psych/Rehab Per Diems	12/11/2023	1/22/2024																
14	Draft Modeling of EAPG Rates and Parameters	12/18/2023	1/22/2024																
15	Rebasing Presentation to DMAS and Stakeholders	1/22/2024	1/22/2024								8								
16	Finalize DRG Rates and Payment Parameters	1/22/2024	3/15/2024							63636 83838	8								
17	Finalize Psych/Rehab Per Diems	1/22/2024	3/15/2024																
18	Finalize EAPG Rates and Payment Parameters	1/22/2024	3/15/2024							63636 83838	8								
19	Final Presentations to DMAS and Stakeholders	3/29/2024	3/29/2024																
	Completed																		
	Active																		
	Not completed, but no projected delay																		
	Not completed, potential for delay																		
	Not Active																		



Hospital Outpatient Claims

Grouping Results

FFS Claim Year - Claim Lines with MMIS EAPG Populated

Grouping Numbers	
Claims	75,064
Lines	506,194
Lines Matched	500,239
Percent Match	98.8%

99.9% match when invalid/error EAPGs are excluded



Pricing Results

FFS Claim Year - Claims with Successful Groupings

Grouping Numbers	
Claims	75,058
Lines	562,053
Matches	529,453
Percent Match	94.2%

96.1% if unpaid lines excluded. Exploring minor payment variances and non-EAPG payments.



Repricing Example

Line	Proc	Mod	EAPG	EAPG Type	Base Rate	EAPG Relative Weight	Discount Factor	EAPG Payment
	Α	В	С	D	E	F	G	H=E*F*G
1	J2405		496	06	\$629.23	0.0004	1.00	\$0.25
2	J7030		496	06	\$629.23	0.0004	1.00	\$0.25
3	80053		403	04	\$629.23	0.0186	1.00	\$11.70
4	96361		110	02	\$629.23	0.8844	1.00	\$556.49
5	99284	25	765	03	\$629.23	0.3556	1.00	\$223.75

EAPG 110 - Pharmacotherapy by extended infusion

EAPG Payment \$ 792.44

Results:

- Lines 1 and 2 Low-cost drugs; pays in full
- Line 3 Non-ancillary lab panel; pays in full
- Line 4 Significant procedure on claim; pays in full
- Line 5 E&M code Mod 25 (separate E&M service) prevents consolidation; pays in full



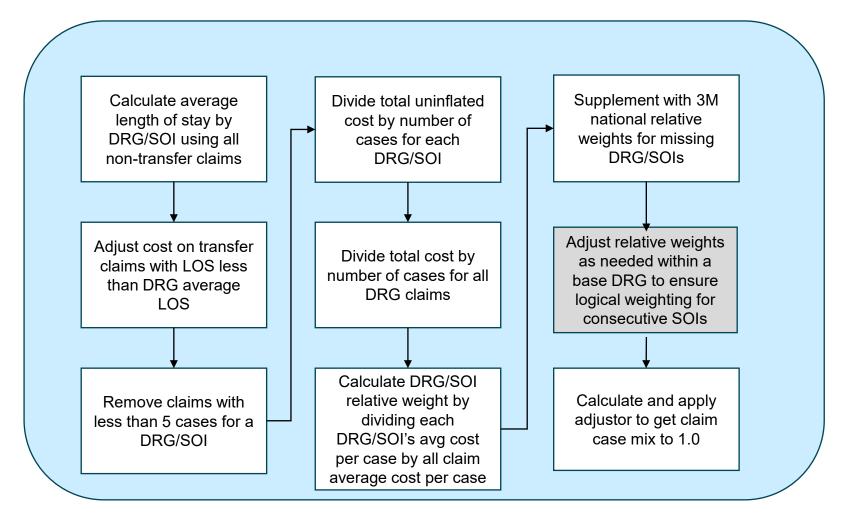
Hospital Inpatient Claims

DRG Claim Repricing Status

- Guidehouse repricing of fee-for-service claims matched the Allowed Amount assigned by Virginia Medicaid for 16,315 of 17,034 claims (96%)
- Variances focused on payment of readmissions, interim claims and covered/non-covered days



DRG Relative Weight Calculation Severity of Illness (SOI) Adjustment





DRG Relative Weight Adjustment Example – All Severity of Illness (SOI) Values in Virginia Claim Data

Version 40		Claim Count	Claim Count	DRG	Version 40 DRG Rel Wt	Version 40 DRG National Rel Wt	Version 40 DRG ALOS				Version 40 DRG Rel Wt Virginia	Rel Wt
APR DRG	DRG Description	Initial	Final	Origin	National	Ratio	Prelim	Final	Chng Ind	Prelim	SOI Adjst	Chng Ind
131-1	Cystic Fibrosis - Pulmonary Disease	5	5	Virginia	1.0728	N/A	5.40	5.40	N	1.1608	1.1608	N
131-2	Cystic Fibrosis - Pulmonary Disease	22	21	Virginia	1.4934	1.3921	8.90	8.90	N	1.7362	1.7362	N
131-3	Cystic Fibrosis - Pulmonary Disease	41	41	Virginia	1.9799	1.3258	8.05	11.80	Y	1.9269	1.9269	N
131-4	Cystic Fibrosis - Pulmonary Disease	18	17	Virginia	2.7331	1.3804	8.18	16.29	Y	1.6921	2.6599	Y

Legend:

ALOS – Average Length of Stay

APR DRG - All Patient Refined Diagnosis Related Group

Claim Count Final – After removal of outlier claims (cost beyond 3 standard deviations of the mean)

Prelim - Preliminary

Rel Wt - Relative Weight

Relative Weight Ratio - (SOI 2 Rel Wt) / (SOI 1 Rel Wt); (SOI 3) / (SOI 2); (SOI 4 / SOI 3)

SOI – Severity of Illness



DRG Relative Weight Adjustment

Example - Some SOI Values Not in Virginia Claim Data

						Version 40						
					Version	DRG	Version 40			Version 40	Version 40	
		Claim	Claim		40 DRG	National	DRG ALOS	Version 40		DRG Rel	DRG Rel	
Version 40		Count	Count	DRG	Rel Wt	Rel Wt	Virginia	DRG ALOS	ALOS	Wt Virginia	Wt Virginia	Rel Wt
APR DRG	DRG Description	Initial	Final	Origin	National	Ratio	Prelim	Final	Chng Ind	Prelim	SOI Adjst	Chng Ind
843-1	Extensive Third Degree Burns w/o Skin Graft	3	0	National	0.5142	N/A	2.90	2.90	N	0.5142	0.5142	N
843-2	Extensive Third Degree Burns w/o Skin Graft	8	8	Virginia	0.8502	1.6534	8.00	8.00	N	1.5511	1.5511	N
843-3	Extensive Third Degree Burns w/o Skin Graft	3	0	National	1.0929	1.2855	5.86	10.28	Υ	1.0929	1.9939	Υ
843-4	Extensive Third Degree Burns w/o Skin Graft	0	0	National	2.4809	2.2700	7.40	23.34	Υ	2.4809	2.4809	N

Legend:

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Prelim - Preliminary

Rel Wt – Relative Weight

Relative Weight Ratio – (SOI 2 Rel Wt) / (SOI 1 Rel Wt); (SOI 3) / (SOI 2); (SOI 4 / SOI 3)

SOI – Severity of Illness



DRG Relative Weight Calculation

Example - Exception - DRG 589

Version 40 APR DRG	DRG Description	Claim Count Initial	Claim Count Final	DRG Origin	Version 40 DRG Rel Wt National	Version 40 DRG National Rel Wt Ratio	Version 40 DRG ALOS Virginia		ALOS Chng Ind	DRG Rel Wt Virginia	Version 40 DRG Rel Wt Virginia SOI Adjst	Rel Wt Chng Ind
589-1	Neonate Bwt < 500 Grams, or Bwt 500-999 Grams and Gestational Age <24 Weeks, or Bwt 500-749 Grams with Major Anomaly or without Life Sustaining Intervention	5	5	Virginia	11.3316	N/A	41.40	41.40	N	7.4994	7.4994	N
589-2	Neonate Bwt < 500 Grams, or Bwt 500-999 Grams and Gestational Age <24 Weeks, or Bwt 500-749 Grams with Major Anomaly or without Life Sustaining Intervention	8	8	Virginia	10.9307	0.9646	86.88	39.94	Y	23.2703	7.2341	Y
589-3	Neonate Bwt < 500 Grams, or Bwt 500-999 Grams and Gestational Age <24 Weeks, or Bwt 500-749 Grams with Major Anomaly or without Life Sustaining Intervention	35	33	Virginia	10.4064	0.9520	67.09	38.02	Y	12.7246	6.8871	Y
589-4	Neonate Bwt < 500 Grams, or Bwt 500-999 Grams and Gestational Age <24 Weeks, or Bwt 500-749 Grams with Major Anomaly or without Life Sustaining Intervention	42	42	Virginia	1.9717	0.1895	31.38	31.38	N	5.5623	5.5623	N

Legend:

ALOS – Average Length of Stay

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Prelim – Preliminary

Rel Wt - Relative Weight

Relative Weight Ratio - (SOI 2 Rel Wt) / (SOI 1 Rel Wt); (SOI 3) / (SOI 2); (SOI 4 / SOI 3)

SOI – Severity of Illness



December/January Activities

Finish Repricing and Validating Claims

DRG Weight Setting

Draft Rate Setting Models

