Georgia Medicaid Inpatient Prospective Payment System: Rebase & APR-DRG Transition

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Please enter questions in the chat box during the presentation. They will be addressed at the end of the presentation during Q&A.

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Current IPPS Methodology

- Previous Rebase Effective January 1, 2019.
- Direct GME is paid based on surveyed FTEs at facility.
    - Updated Annually
- DRG Weights
    - Tricare Version 35 – State Specific Cost Based Weights
- Cost to Charge Ratios
    - Updated Annually

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Current IPPS Methodology (Cont.)

- Hospital Base Rates
  - Statewide Rate of $5,310.99
  - Rate Add-Ons
    - MIUR Adj. – Tiered schedule of 2% up to 10% add-on.
    - Indirect Medical Education Add-On
      - Updated Annually
    - Pediatric Peer Group Add-On
    - Stop-Loss/Stop-Gain Adj.

IPPS System Rebase

- Base Data Sets
  - CY 2022 Claims
  - 2023 DSH Payment Surveys
  - FYE 2021 Cost Reports
- System Calculated to Budget Neutral per provider

APR-DRG Transition

- Implementation of APR-DRG Eff. January 1, 2024

- APR-DRG Version 40

- DRG Weights & Outlier Thresholds
  - State Specific Cost Based DRG Weights & Outlier Thresholds

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Proposed DRG System, Eff. Jan 1, 2024

- Statewide Base Rate - $5,985.86

- Base Rate Add-On's evaluated and updated
  - MIUR Adj.
  - IME Adj.
  - Pediatric Hospital Peer Group Add-On
  - Stop-Loss/Stop-Gain – set each hospital to budget neutral

- Cost to Charge Ratios
  - No Change from July 1, 2023

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APR-DRG Overview

LINDA BENTLEY, RHIA | PRODUCT OWNER, INPATIENT GROUPERS
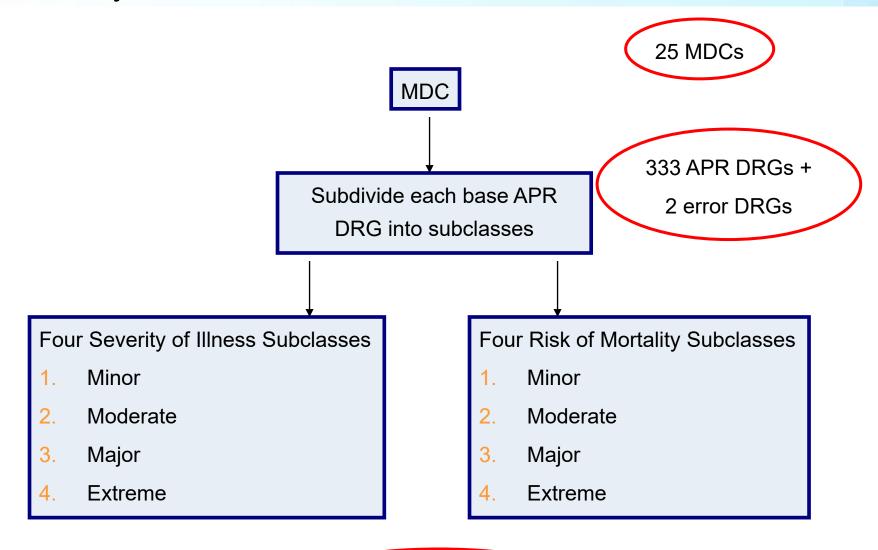*3M HEALTH INFORMATION SYSTEM*

What are APR DRGs?

- All Patients Refined Diagnosis Related Groups (APR DRG) is a classification system that classifies patients according to their reason of admission, severity of illness and risk of mortality.

  - The patient characteristics used in the definition of the DRGs are limited to information routinely collected on hospital abstract systems.

  - There are a manageable number of DRGs which encompass all patients seen on an inpatient basis.

  - Each DRG contains patients with a similar pattern of resource intensity.

  - Each DRG contains patients who are similar from a clinical perspective.

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Summary of APR DRGs

25 MDCs

MDC

Subdivide each base APR DRG into subclasses

333 APR DRGs + 2 error DRGs

Four Severity of Illness Subclasses

1. Minor
2. Moderate
3. Major
4. Extreme

Four Risk of Mortality Subclasses
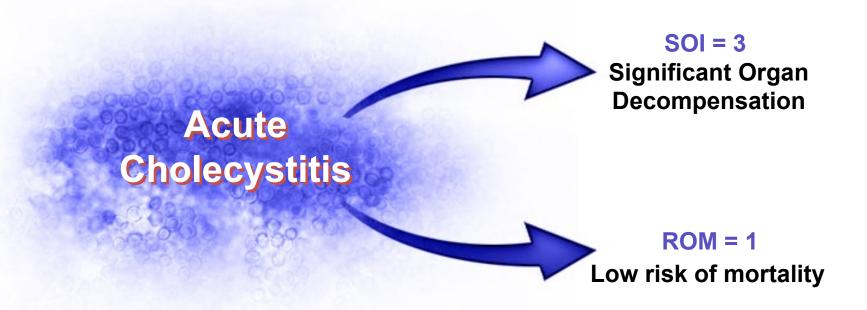
1. Minor
2. Moderate
3. Major
4. Extreme

1332 Subclasses

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SOI and ROM are Independent

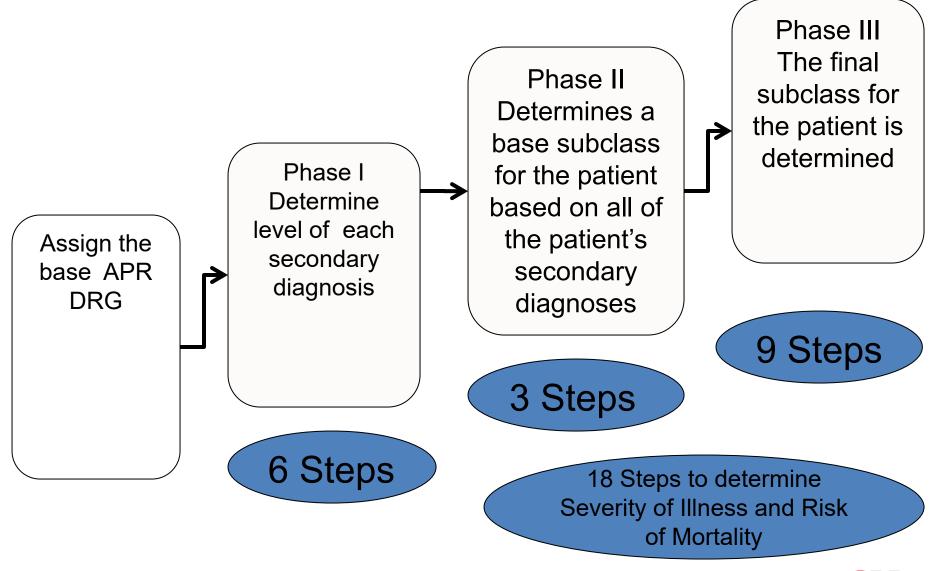The severity of illness and risk of mortality subclass are calculated separately and may be different from each other.

Acute Cholecystitis

SOI = 3
Significant Organ Decompensation

ROM = 1
Low risk of mortality

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Example Progression of Diagnoses

Severity Of Illness		Secondary Diagnosis of Diabetes Mellitus
1	Minor	Type 2 diabetes mellitus without complications (E119)
2	Moderate	Type 2 diabetes mellitus with diabetic chronic kidney disease (E1122)
3	Major	Other specified diabetes mellitus with ketoacidosis without coma (E1310)
4	Severe	Type 2 diabetes mellitus with hyperosmolarity with coma (E1101)
Risk of Mortality		Secondary Diagnosis of Dysrhythmias
1	Minor	Cardiac arrhythmia, unspecified (I499)
2	Moderate	Sick sinus syndrome (I495)
3	Major	Ventricular tachycardia (I472)
4	Severe	Ventricular fibrillation (I4901)

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APR DRG methodology process

Assign the base APR DRG

Phase I Determine level of each secondary diagnosis

Phase II Determines a base subclass for the patient based on all of the patient's secondary diagnoses

Phase III The final subclass for the patient is determined

9 Steps

3 Steps

6 Steps

18 Steps to determine Severity of Illness and Risk of Mortality

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TRICARE DRG to APR DRG Comparison

Category	TRICARE DRG	APR DRG
Releases	Annual releases (possible April release)	Annual releases (possible April release)
Data requirements	Diagnoses, procedures, age, sex, discharge status, birth weight	Diagnoses, procedures, age, sex, discharge status, birth weight
MDCs	Pre-MDC and 25 MDCs	Pre-MDC and 25 MDCs
Number of base DRGs	819 (819 + 2 error DRGs) v35 835 (833 + 2 error DRGs) v40.0	1332 (333 base DRGs x 4 subclasses + 2 error DRGs)
DRG representation	3 Byte DRG field	3 Byte base DRG field + 1 Byte field for SOI +1 Byte field for ROM

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TRICARE DRG to APR DRG Comparison

Category	TRICARE DRG	APR DRG
Age Splits	Age splits for patients age 0-17 in 15 MDCs Age split for patients <=21 in 1 MDC Age >28 days in 2 MDCs	Base DRG are not differentiated by age but SOI and ROM subclasses modified by patient age.
Discharge Status	MDC 5 (died) MDC 15 (transferred, died) MDC 20 (LAMA)	MDC 15 (transferred only) MDC 20 (LAMA)

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How can APR DRG output be used?

- Assuring all patients are measured according to an accepted standard of severity

- To stratify *all* patients in conjunction with other metrics:

- Looking at severity against cost, LOS, complications and readmissions

- Measuring severity to ensure patients receive the right type of care based on severity

- Designing clinical pathways in support of severity

- To assist in profiling physician performance

- To demonstrate the need for appropriate, collaborative, and comprehensive documentation

- Assist in quality reviews

- Prepare for Public reporting

- Using the CMI to ensure fairness in reimbursement

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APR-DRG Resources

- Patient Classification Methodologies Website

  - www.APRDRGAssign.com

  - Offers users access to:

    - APR-DRG Methodology Overview

    - Definitions Manuals

    - Single Claim Interactive Grouper for DRG Assignment Review

  - Users must register with website.

    - Registration code = GAHosp

Proposed Timeline

- May 2023 – June 2023 - System Calculation & Modeling

- July 1, 2023 - Initial Proposed APR-DRG System to Gainwell

- August 24, 2023 – Initial System Update Presented to Hospitals

- September 2023 – Rate Sheets and DRG Weights released to Industry

- Fall 2023 – Additional Training from 3M on APR-DRG

- January 1, 2024 – APR-DRG & Rebased Base Rates Effective

Future Updates

- Annual Updates of IME, GME, CCRs begin July 1, 2024
  - Utilizing GME Surveys, DSH Payment Surveys and Cost report information.

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Questions?

Please enter them into the Chat Box now.

Any additional questions and comments, please submit written comments and questions to:

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