

## PUBLIC NOTICE

Pursuant to 42 C.F.R. § 447.205, the Georgia Department of Community Health is required to give public notice of any significant proposed change in its methods and standards for setting payment rates for services.

### INPATIENT PROSPECTIVE PAYMENT SYSTEM – PHASE 3 UPDATE

Pending Centers for Medicare and Medicaid Services (CMS) approval and effective for services provided on or after January 1, 2019, the Department of Community Health is proposing a methodology change to the Inpatient Prospective Payment System (IPPS). The Department is proposing this change in order to better match reimbursement to services provided, create appropriate incentives to control costs, help grow the physician workforce through graduate medical education programs, and focus the methodology on service delivery for Medicaid members. The Department proposes the following:

- Update the financial data in the IPPS model in order to rebase hospital specific base rates, cost to charge ratios, diagnosis-related group (DRG) weights, and outlier thresholds.
- Update the grouper to Tricare Version 35.
- Change the methodology for high cost outlier claims by basing the outlier payment on the difference between the cost of the claim and the outlier threshold.
- Lower outlier thresholds to 1.96 standard deviations from the average DRG payment amount with a \$30,000 minimum outlier threshold.
- Allocate payments to hospitals from the direct graduate medical education (GME) pool on a per resident basis.
- Apply a stop loss/gain factor to mitigate the initial financial impact to individual hospitals. The stop gain is 4.01%. The stop loss is 0%.

This change is estimated to impact expenditures in state fiscal year (SFY) 2019 as follows:

<b><u>Program</u></b>	<b><u>State Funds</u></b>	<b><u>Federal Funds</u></b>	<b><u>Total Funds</u></b>
Aged, Blind, and Disabled	(\$2,313,095)	(\$4,830,496)	(\$7,143,591)
Low-Income Medicaid	\$7,861,487	\$16,417,349	\$24,278,836
<b>Total</b>	<b>\$5,548,392</b>	<b>\$11,586,853</b>	<b>\$17,135,245</b>

This public notice is available for review at each county Division of Family and Children Services office. An opportunity for public comment will be held on **November 13, 2018, 11:00 a.m.**, at the Department of Community Health (2 Peachtree Street, N.W., Atlanta, Georgia 30303) in the 5th Floor Commissioner's Conference Room. Individuals who are disabled and need assistance to participate during this meeting should call (404) 656-4479. Individuals wishing to comment in writing on any of the proposed changes should do so on or before **November 20, 2018**, to the Board of Community Health, Post Office Box 1966, Atlanta, Georgia 30301-1966. You may also email comments to Danisha Williams, [danwilliams@dch.ga.gov](mailto:danwilliams@dch.ga.gov) or fax to 404-651-6880.

Comments submitted will be available for review by submitting a request via email to Danisha Williams, [danwilliams@dch.ga.gov](mailto:danwilliams@dch.ga.gov). Comments from written and public testimony will be provided to the Board of Community Health prior to the **December 13, 2018** Board meeting. The

Board will vote on the proposed changes at the Board meeting to be held at 10:30 a.m. at Mercer University, 1501 Mercer University Drive, Macon, Georgia 31207.

**NOTICE IS HEREBY GIVEN THIS 8<sup>th</sup> DAY OF NOVEMBER, 2018**  
**Frank W. Berry, Commissioner**