

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 HOSPITAL PROSPECTIVE PAYMENT SYSTEM**

Pending CMS approval and effective for services provided on or after July 1, 2017, the Department is proposing a methodology change to the Medicaid and PeachCare Inpatient Prospective Payment System (IPPS). DCH 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. DCH proposes the following:

- To update financial data in the IPPS model to a more recent year in order to rebase rates and model components.
- To 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.
- To allocate payments to hospitals from the direct graduate medical education (GME) pool on a per resident basis.
- To reimburse Indirect Medical Education (IME) costs through a flat grant amount paid quarterly. Existing IME funds will be moved to the Graduate Medical Education Cost of Care (GMECC) Pool for this purpose.
- To apply a stop loss/gain factor to mitigate the initial financial impact to individual hospitals.

The estimated fiscal impact of the proposed change is as follows:

	<u><b>Total Funds</b></u>	<u><b>Federal Funds</b></u>	<u><b>State Funds</b></u>
<b>SFY 2018</b>	\$6,225,141	\$4,215,665	\$2,009,476

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 **June 15, 2017** at 11:30 a.m. at the Department of Community Health (2 Peachtree Street, N.W., Atlanta, Georgia 30303) in the 5th Floor Board Room. Individuals who are disabled and need assistance to participate during this meeting should call (404) 656-4479. Citizens wishing to comment in writing on any of the proposed changes should do so on or before **June 22, 2017**, 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 **July 13, 2017** Board meeting. The Board will vote on the proposed changes at the Board meeting to be held at 10:30 a.m. at the

Department of Community Health (2 Peachtree Street, N.W., Atlanta, Georgia 30303) in the 5th Floor Board Room.

**NOTICE IS HEREBY GIVEN THIS 8<sup>th</sup> DAY OF JUNE, 2017**

**Frank W. Berry, Commissioner**