



Nathan Deal, Governor

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TO: CFOs of Hospitals Enrolled in the Inpatient Medicaid Program

FROM: John Upchurch, Medicaid Reimbursement Director

DATE: September 30, 2019

RE: Proposed Inpatient Prospective Payment System (IPPS) Methodology Change to be Effective October 1, 2016

DCH has identified an error in the calculation of the fiscal impact of the IPPS change proposed for October 1, 2016. The hospital-specific projected fiscal impact you were provided on September 6, 2016 included incorrect logic in identifying short stay claims. The fiscal impact model assumed a DRG payment for what should have been short stay claims in certain instances. This overstated the amount that hospitals would be paid under the proposed IPPS methodology.

We are working on an updated projection model that will correct this calculation and we will provide you with the corrected fiscal impact specific to your hospital as soon as it is available. In order to allow you time to review this updated information and provide feedback to DCH, the presentation of the IPPS update Public Notice for final adoption by the Board of Community Health, originally scheduled for October 13, 2016, will be delayed. Our goal is to request final adoption on November 10, 2016 and target a December 1, 2016 effective date for the IPPS update.

Thank you for your cooperation and support.