

DEPARTMENT OF HEALTH AND HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-26-12
Baltimore, MD 21244-1850



Financial Management Group

JAN 22 2016

Ms. Linda Wiant
Director of Medicaid Assistance Plans
Medicaid Division
Georgia Department of Community Health
9 Peachtree Street, NW, Suite 36-450
Atlanta, GA 30303-3159

RE: Georgia 15-011

Dear Ms. Wiant:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid state plan submitted under transmittal number (TN) 15-011. Effective January 1, 2016 this amendment proposes to revise the payment methodology for hospital services. Specifically, this amendment proposes to update the Tricare Diagnosis Related Groups (DRG) Grouper from version 30 to 33 to more accurately group claims using International Classification of Diseases 10 (ICD-10).


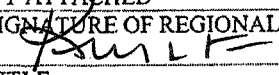
We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30), and 1903(a) of the Social Security Act and the implementing Federal regulations at 42 CFR 447 Subpart C. We have found that the proposed changes in payment methodology comply with applicable requirements and therefore have approved them with an effective date of January 1, 2016. We are enclosing the CMS-179 and the amended approved plan pages.

If you have any questions, please call Stanley Fields at (502) 223-5335.

Sincerely,

A handwritten signature in black ink, appearing to read "Kristin Fan". The signature is fluid and cursive, with a long horizontal stroke at the end.

Kristin Fan
Director

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL		1. TRANSMITTAL NUMBER: TN 15-011	2. STATE GEORGIA
		3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR CENTERS FOR MEDICARE AND MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES		4. PROPOSED EFFECTIVE DATE January 1, 2016	
5. TYPE OF PLAN MATERIAL (Check One):			
<input type="checkbox"/> NEW STATE PLAN AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" type="checkbox"/> AMENDMENT COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)			
6. FEDERAL STATUTE/REGULATION CITATION: 42 C.F.R. § 447.205		7. FEDERAL BUDGET IMPACT: FFY 2016 \$0 P&I FFY 2017 \$0 P&I	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: State Plan Section 4.19 A page 14 P&I		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): State Plan Section 4.19 A page 14 P&I	
10. SUBJECT OF AMENDMENT: Effective January 1, 2016, DCH proposes a cost neutral update to the Medicaid Inpatient Prospective Payment System methodology, specifically to update the Tricare Grouper from Version 30 to Version 33, in order to more accurately group claims using ICD-10 and control inpatient claims cost.			
11. GOVERNOR'S REVIEW (Check One):			
<input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL		<input type="checkbox"/> OTHER, AS SPECIFIED: Single State Agency Comments Attached	
12. SIGNATURE OF STATE AGENCY OFFICIAL: 		16. RETURN TO: Department of Community Health Division of Medicaid 2 Peachtree Street, NW, 36 th Floor Atlanta, Georgia 30303-3159	
13. TYPED NAME: LINDA WIANT			
14. TITLE: CHIEF, DIVISION OF MEDICAID			
15. DATE SUBMITTED: 12/15/15			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED:		18. DATE APPROVED: JAN 22 2016	
PLAN APPROVED - ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: JAN 01 2016		20. SIGNATURE OF REGIONAL OFFICIAL: 	
21. TYPED NAME: 23. REMARKS: Kristin W Fan		22. TITLE: Director, FMC	

1/21/16 - The State authorized the Pen & Ink change to Box 7.

1/21/16 - The State authorized the Pen & Ink change to Box 8.

1/21/16 - The State authorized the Pen & Ink change to Box 9.

METHODS AND STANDARDS FOR REESTABLISHING PAYMENT RATES
INPATIENT SERVICES

Out-of-state facilities under the DRG system will receive payments using the same payment formulas as stated in Sections A, B and C. However, the components of the formulas will be calculated on a statewide average. An out-of-state facility will receive a hospital specific base rate that is equal to the statewide average rate for the appropriate peer group in which the hospital is classified, a capital add-on payment equal to the statewide average add-on payment for the appropriate peer group, and a cost-to-charge ratio that is equal to the Georgia statewide average of the cost-to-charge ratios. For dates of admission on or after July 1, 2015, capital costs will be reimbursed as part of the statewide average base rate instead of via the capital add-on payment.

4. New Medicaid Providers

Prospective payment rates for established facilities which did not submit a hospital-specific Medicare cost report because the facility did not participate in the Medicaid program will be determined in the same manner as a new facility stated in section D.1.

E. DRG Grouper

For admissions on and after January 1, 2008, the grouper used to classify cases into DRG categories will be TRICARE Grouper version 24.0. For admissions on and after April 1, 2014, the grouper used to classify cases into DRG categories will be TRICARE Grouper version 30.0. For admissions on and after January 1, 2016, the grouper used to classify cases into DRG categories will be TRICARE Grouper version 33.0. The grouper used to assign claims to DRG categories, as well as the corresponding DRG weights and threshold amounts, may be updated periodically.

For dates of service from April 1, 2014 through June 30, 2015 and for hospitals whose net TriCare DRG Version 30 payment change results in a gain or a loss of greater than \$10 million, the Department shall apply a stop-loss/gain corridor. The stop-loss/gain amount will be stated in a per case value, and solely for payment administration purposes, it will be combined with the hospital's per case capital add-on payment.

- For Dates of Service from April 1, 2014 through March 31, 2015, the stop-loss/gain corridor shall result in a \$17 million transfer from the hospital with the largest gain to the hospital with the largest loss.
- For Dates of Service from April 1, 2015 through June 30, 2015, the stop-loss/gain corridor shall result in a \$10 million transfer from the hospital with the largest gain to the hospital with the largest loss.

2. For dates of service from July 1, 2015 through June 30, 2017 and for hospitals whose net payment change due to the July 1, 2015 update to the inpatient services rate results in a gain in or loss exceeding a certain percentage, the Department shall apply a stop-loss corridor as follows: