

AHCCCS APR-DRG Work Group
November 18, 2013
Payment Policy Issues

Preliminary Decisions:

Issue 1:

Member is dually-eligible for Medicare and Medicaid and exhausts Medicare hospital benefit while inpatient.

Preliminary Decision:

Have two separate independent claims filed with the first date of service on the Medicaid claim being the first day Medicaid is the primary payer - i.e. the day after Medicare benefits have expired

Issue 2:

Will AHCCCS pay administrative days (Medicare does not)?

Preliminary Decision:

Due to the characteristics of the AHCCCS population, administrative days will be covered, only when prior authorized and based on negotiated per diem rates.

Issue 3:

Will interim billing be allowed? If yes, how will interim bills be paid?

Preliminary Decision:

Interim billing will be permitted in 30 day increments. Interim bills will be reimbursed at \$500 per day. Interim bills must be voided and a final replacement bill must be submitted at discharge encompassing all days billed as interim. Interim payments will be recouped and the final bill paid at APR-DRG. Post-payment audits may be performed to ensure providers submit the final bill.

Final Decisions:

Issue 4:

Member is undocumented alien for whom AHCCCS only pays for emergency services.

Payment Decision:

Determine the number of emergency days based on medical review and prorate based on the length of stay ==> payment equal to (full DRG) * (covered days / actual length of stay).

Issue 5:

Will payment be made based on admit date or discharge date?

Payment Decision:

Discharge date.

Issue 6:

How will transfers to another hospital be paid for transferring and receiving hospitals?

Payment Decision:

The “transferring” hospital will receive a prorated per diem amount for each day in the hospital before the transfer occurs, plus one day. The prorated amount is based on the standard DRG payment divided by the “national” average length of stay. The total payment for the “transferring” hospital is limited to the full DRG payment, although the claim is also eligible for an outlier payment if the cost of the claim meets the criteria for an outlier payment. The “receiving” hospital will receive a full DRG payment for their claim regardless of the length of stay, and can also get an outlier payment if the claim qualifies.