DRG Technical Workgroup

February 27, 2014; 2:00 PM-3:00 PM

AHCCCS, 701 E Jefferson, Phoenix - Gold Salmon Rooms, 3rd Floor

**Attendees (Based upon sign-in Sheets)**

**ADHS**

Madonna Fritz

**AHCCCS**

Robert Heppler, Stacy Westerholm, Dan Liberator, Gurpreet Bhinder

**Care1st**

David Scheer, Anthony Crooke, Brent Ratterree

**Cerpatico**

Cindy Gaither

**DBHS**

Ruth Zona

**DDD**

Laura Reith

**DES**

David Gardner

**Health Net**

Trista Loops

**HCA**

Kristine Van Hook, Sarah Sautler, Mia Villa, Afa Lupeh

**Mercy/Mercy Maricopa**

Julie Dyer

**PHP**

Liz Liska, Sharon Hunt, Vincent Meneze

**UAHP**

Kris Kreutz, Kim Bolton, Dennis Thompson, Maria Sanchez, Dan Parker

**UHCCP**

Michele Maclachlan, Deb Alix, Helen Bronski, Jeff Greenspan, Denise Hardesty

**Attended via Phone/GoTo**

Mohan Basavapatua Carol Boyd

David Segner Stephanie Costal

David Weis Mary Kaeler

Kristen Lina Rios

Meriata Avilor

**Welcome**

Lori welcomed everyone including Consultant Ben Mori from Navigant who is here to walk through the DRG Calculator with the group.

Lori mentioned there are three important tools that you will receive from AHCCCS: the Policy Document, the Rule which is being published tomorrow, and the DRG Calculator. She reminded everyone that they should have seen 2 different versions of the DRG calculator and that a third version would be coming based upon some policy clarifications and finalizations, and to always use the most current version. As soon as Navigant has had a chance to put this together, we will get it posted. We are also going back to the Policy Document to make sure all the changes in the Rule reflect in the policies. When Lori sends out the Rule tomorrow, it is the latest and most finalized version of the information related to the DRG project. Just remember the rule will take precedence over the Policy Document pending its final review and update. Lori will get out the final Policy Document out as soon as possible.

Two big policy updates this week included the definition of the border out of state hospitals which Lori will send out more detail about. And the second updated had to do with the four places of pro-ration, two were using actual length of stay and two were using average. She said all will now be using average length of stay.

If anyone has questions, please submit to Lori.

**DRG Calculator – Walkthrough**

Ben from Navigant reviewed the DRG calculator with the group. The purpose of this calculator is for an individual inpatient claim to show the fee for service allowed amount for that inpatient claim and the net Medicaid liability amount. This Excel worksheet is a free standing worksheet where you can enter any data for any hospital in the system and it will compute that amount for the provider. It includes the DRG rates and provider rates.

As he reviewed the cover page, it is important to note that this is an APR-DRG based system using the 3M proprietary product; the DRG assignment is an input to this pricing worksheet. Although the calculator will tell you the allowed amount for a DRG, you would have to take a claim and use the 3M grouping software to assign a DRG to the claim first then input that into the calculator.

***ACTION ITEM:***Provider Table (row 71) - Ben will clarify provider type.

*Q: Someone asked about entering the provider table information.*

*A: Lori responded anything that is hospital specific comes off of what is essentially the PR050. Ben mentioned that in the comments when it refers to the provider table, it really means we are referring to the worksheets in the Excel file.*

***ACTION ITEM:*** *Lori is working on getting a list of those together.*

*Q: A question was asked about date of admission and from date of service. Are these supposed to be billed as on the claim if we have disallowed days do we put them in there?*

*A: Lori said this was asked about how we want those covered in the covered days and Lori said she needs to take a look at this.*

***ACTION ITEM:*** *Lori will get clarification on how it impacts covered days.*

*Q: A question was asked about cut off age for the policy adjuster where it says less than or equal to 18.*

*A: Ben confirmed after the meeting that this is though the age of 18 once they turn 19, they aren’t pediatric any more.*

Lori mentioned that it is the exception in processing that you have to do now if it’s a same day admit discharge then it gets paid under the OPFS methodology rather than inpatient methodology. This is due to policy as we don’t pay for date of discharge but hospitals sometimes have those really short stays.

*Q: A question was asked about Navigant developing this for AHCCCS to use as their fee for service pricing.*

*A: Ben said that is correct and Lori said we are sharing this with the group and the hospitals. This compliments the policy document and we’ve been exploring the tools that you need to have to make those things work. This has to do with pricing logic after you put it through the 3M product and you have the DRG. You have to put it through the DRG product first and then these are our policy adjustments to that base. 3M will look at this and this product will be distributed to providers and plans but 3M will develop their own pricing system that can price claims where they can key in a batch mode versus one claim at a time. Lori said 3M will give you the DRG but they may also take our pricing rules and decide they are going to develop a product specific to Arizona Medicaid that they can sell to hospitals.*

Howard said the intent is that this calculator should match the results out of PMMIS.

Lori mentioned there are two billing changes related to DRG. The first is that birth weight will have to be reported and Lori will get specifics to group as soon as she can. The second is for hemophilia drugs that are administered in an inpatient setting. Hospitals will begin to report associated HCPCS and NDC codes. The hospitals are aware of these changes.

**Next Workgroup Session**

Lori may try and schedule a meeting next week. This will be contingent on whether or not we get that Policy Document as she would like to start walking through the policy document.

Lori will send the Rule out tomorrow as soon as she is notified it is posted.