The State of Florida is approaching a new fiscal year. At the start of the fiscal year, new rates and other changes to DRG pricing calculations will be in effect. The below changes apply for all claims with admission dates starting July 1, 2014.

What’s New for Fiscal Year (FY) 2014/2015?

DRG Payment Parameters

Hospital DRG payment parameters are set annually and published at the beginning of each state fiscal year. For FY 2014/2015, the base rate and provider policy adjustors will be updated.

Florida Medicaid DRG Calculator

The DRG Calculator assists provider by communicating DRG payment parameters and demonstrating how DRG payment is calculated on individual claims. Each fiscal year will have its own calculator. The current calculator is used for claims with admission dates of 07/01/13-06/30/14. The new calculator is used for claims with admission dates of 07/01/14 and forward (Fiscal Year 2014/2015) and is now available on AHCA’s website.

NOTE: The provider cost-to-charge ratios listed in the Provider Table are the values retrieved from cost reports received by the Agency for Health Care Administration (Agency) by April 15, 2013. Updates to the cost-to-charge ratios are planned and will include data from cost reported received by the Agency by April 15, 2014. The release date for the updated provider cost-to-charge ratios is not yet finalized.

Cost Outlier Adjustments

Cost outlier adjustments are additional payments made for stays that are unusually costly to the hospital. Effective in FY 2014/2015, outlier payments will be calculated by comparing DRG base payment to hospital cost without consideration of IGT payments. With this change, the outlier threshold has been increased to $60,000 and the marginal cost percentage has decreased to 60%.

Self-Funded Inter-Governmental Transfers (IGT) Payments

Self-funded IGTs will no longer be distributed through claim payments effective with admissions on or after 07/01/2014. Instead, self-funded IGTs will be distributed as a Low Income Pool, LIP 6 payment on a quarterly basis.
Automatic IGT Payments

In FY 2013/2014, IGT payments are reduced on some claims because of non-covered days and charge cap (charges below payment amount). For inpatient DRG claims with admission dates within FY 2014/2015, the full casemix (a hospital's yearly average weight) adjusted automatic IGT payment will be paid. Automatic IGT payments will no longer be affected by covered day and charge cap adjustments.

Grouper Codes

The Grouper code is changing for FY 2014/2015. Claims with admission dates of 07/01/13 – 06/30/14 will use grouper version 30 and claims with admission dates as of 07/01/14 will use grouper version 31.

For More Information

Agency

For more information regarding DRG and related policies, visit the Agency website at http://ahca.myflorida.com/Medicaid/cost_reim/drg.shtml.

DXC Technology

DXC Technology posts DRG-specific information to the DRG Pricing page of the Florida Web Portal at http://portal.flmmis.com/FLPublic/Provider_AgencyInitiatives/Provider_DRG/tabid/91/Default.aspx