New rates and DRG changes to pricing calculations Fiscal Year 2015/2016. The FMMIS (Florida Medicaid Management Information System) will begin applying the new pricing calculations on 08/06/2015, effective for admission dates 07/01/2015 and later. Soon after the 08/06/2015 implementation date, the Agency will reprocess effected claims with an admission date of 07/01/2015 or later that processed before the 08/06/2015 implementation date.

The information covered in this Quick Reference Guide (QRG) applies to all claims with admission date of July 1, 2015 and after.

What’s New for Fiscal Year (FY) 2015/2016?

DRG Payment Parameters

Hospital DRG payment parameters are set annually and published at the beginning of each State fiscal year. For FY 2015/2016, the base rate and provider policy adjustors have been updated.

Florida Medicaid DRG Calculator

The DRG Calculator assists providers by communicating DRG payment parameters and demonstrating how DRG payment is calculated on individual claims. Each fiscal year will have its own calculator. The new calculator is used for claims with admission dates of July 1, 2015 and after (FY 2015/2016) and is now available on Agency for Health Care Administrations (Agency)’s website.

Cost Outlier Adjustments

Cost outlier adjustments are additional payments made for stays that are unusually costly to the hospital. Effective in FY 2015/2016, outlier payments will be calculated by comparing DRG base payment to hospital cost without consideration of IGT (Inter-Governmental Transfer) payments.

- For FY 2015/2016, the outlier threshold will remain at $60,000 and the marginal cost percentage will change based on the age of the recipient.
- For children under the age of 21, a Pediatric or Neonate marginal cost factor will be 80%.
- For all adults over the age of 21, the marginal cost factor will be 60%.

Self-Funded IGT (Inter-Governmental Transfer) Payments

Self-funded IGTs will no longer be distributed through claim payments effective with admission date of on or after July 1, 2015. 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 were reduced on some claims because of non-covered days and charge cap (charges below the payment amount). For inpatient DRG claims with admission dates within FY 2014/2015, the full casemix (a hospital’s yearly average relative weight) adjusted automatic IGT payment will be paid. Automatic IGT payment will no longer be affected by the covered day and charge cap adjustments.

Trauma Supplemental Payments

In FY 2015/2016, for all applicable providers, the General Appropriate Act (GAA) includes a new trauma facility supplemental payment that will be added to the DRG calculations. The trauma payments have three category rates:

- Trauma Level 1 - 17%
- Trauma Level 2 - 11%
- Trauma Level 3 - 4%

This additional payment acts as a supplemental Automatic Rate Enhancement and will not affect the cost outlier or be reduced by non-covered days or the charge cap. Instead, this trauma rate percentage will be multiplied by the claims DRG base payment to determine the trauma supplemental payment applicable to the claim.

The GAA also includes two different marginal cost factors that will be used in the outlier calculation. A new 80% marginal cost factor will be used for “Neonate” and “Pediatric” service lines for DRGs with severity of illness 3 or 4. The 60% marginal cost factor will remain for all other services.

Providers may view their trauma supplemental payment in the FY 2015/2016 DRG calculator under the Provider Table tab.

Grouper Codes

The Grouper code is changing for FY 2015/2016.

- Claims with admission dates between July 1, 2014 and June 30, 2015 will use grouper version 31.
- Claims with admission dates of July 1, 2015 and after will use grouper version 32.

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