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 information covered in this Quick Reference Guide (QRG) applies to all claims with admission date of July 1, 2016 and after.

What’s New for Fiscal Year (FY) 2016/2017?

DRG Payment Parameters

Hospital DRG payment parameters are set annually and published at the beginning of each State fiscal year.

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, 2016 and is now available on the Agency for Health Care Administration’s (Agency’s) website.

New DRG Parameters

New DRG parameters to FY 2016/17 are age policy adjustors that apply to neonatal and pediatric services based on the level of severity of the DRG (for the age policy adjustor, “pediatric services” including DRG service lines “Pediatric,” Transplant Pediatric,” “Mental Health,” and “Rehab”):

- Severity Level 1 1.00
- Severity Level 2 1.52
- Severity Level 3 1.80
- Severity Level 4 2.00

Cost Outlier Adjustments

Cost outlier adjustments are additional payments made for stays that are unusually costly to the hospital. Effective in FY 2016/2017, outlier payments will be calculated by comparing DRG base payment to hospital cost without consideration of IGT (Inter-Governmental Transfer) payments. For admissions from 07/01/2013 through 06/30/2015, the marginal cost factor used in calculation of the outlier amount is 60% for all claims. For admissions on and after 07/01/2015, two marginal cost factors are used in the calculation of outlier payments, depending on the DRG assigned and the age of the recipient as follows:

- 60% for all services to adults,
- 80% for DRGs with severity of illness 3 or 4 and service line equal to “Pediatric,” Transplant Pediatric,” or “Neonate” for admissions of children (a recipient under the age of 21 at the time of admission), and
- 60% for all other DRGs assigned to admissions of children.
Trauma Supplemental Payments

In FY 2016/2017, hospitals that have a trauma supplemental rate will receive that rate for every inpatient claim submitted, independent of the DRG assigned to the claim.

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\text{Final DRG payment} = \text{DRG calculated rate} + \text{Trauma supplemental payment} + \text{Automatic Rate Enhancement Supplemental payment}
\]

The trauma supplemental payment does not affect the outlier payment, nor is it reduced due to non-covered days or a charge cap; it is an additional supplemental payment that is not impacted by cutbacks on the claim.

Grouper Codes

The following groupers now apply to Florida Medicaid DRG-priced claims:

- Claims with admission dates between July 1, 2014 and June 30, 2015 use grouper version 31.
- Claims with admission dates of July 1, 2015 and after use grouper version 32.
- Claims with admission dates on and after October 1, 2015, and processed on and after June 24, 2016, will use grouper version 33.

**NOTE**: Claims already processed with ICD-10 codes and assigned a version 32 DRG will not need to be adjusted because there are no differences between version 32 and version 33 national relative weights, and there are only insignificant changes in DRG assignment logic between version 32 and version 33.

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](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](http://portal.flmmis.com/FLPublic/Provider_AgencyInitiatives/Provider_DRG/tabid/91/Default.aspx)