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 discharge dates of July 1, 2017 and after.

**What’s New for Fiscal Year (FY) 2017/2018?**

**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 discharge dates effective July 1, 2017 and is now available on the Agency for Health Care Administration’s (Agency’s) website.

**Age Policy Adjustors**

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”) :

<table>
<thead>
<tr>
<th>Severity Level</th>
<th>Adjustor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level I</td>
<td>1.00</td>
</tr>
<tr>
<td>Level 2</td>
<td>1.52</td>
</tr>
<tr>
<td>Level 3</td>
<td>1.80</td>
</tr>
<tr>
<td>Level 4</td>
<td>2.00</td>
</tr>
</tbody>
</table>

**Cost Outlier Adjustments**

Cost outlier adjustments are additional payments made for stays that are unusually costly to the hospital. In FY 2017/2018, outlier payments will be calculated by comparing DRG base payment to hospital cost without consideration of IGT (Inter-Governmental Transfer) payments. For admissions on and after 07/01/2017, 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 2017/2018, hospitals that have a trauma supplemental rate will receive that rate for every inpatient claim submitted, independent of the DRG assigned to the claim.

Final DRG payment = DRG calculated rate + Trauma supplemental payment + 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 discharge dates between July 1, 2014 and June 30, 2015 use grouper version 31.
- Claims with discharge dates of July 1, 2015 and after use grouper version 32.
- Claims with discharge dates between January 1, 2016 and June 30, 2017 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.*

- Claims with discharge dates of July 1, 2017 and after use grouper version 34.
- A system update was made on January 18, 2018 to use the discharge date instead of the admission date to determine the DRG grouper version.

For More Information

Agency for Health Care Administration (Agency)

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

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