Rebasing of Hospital Reimbursement – Hospital Cost

VA DMAS

October 27, 2023

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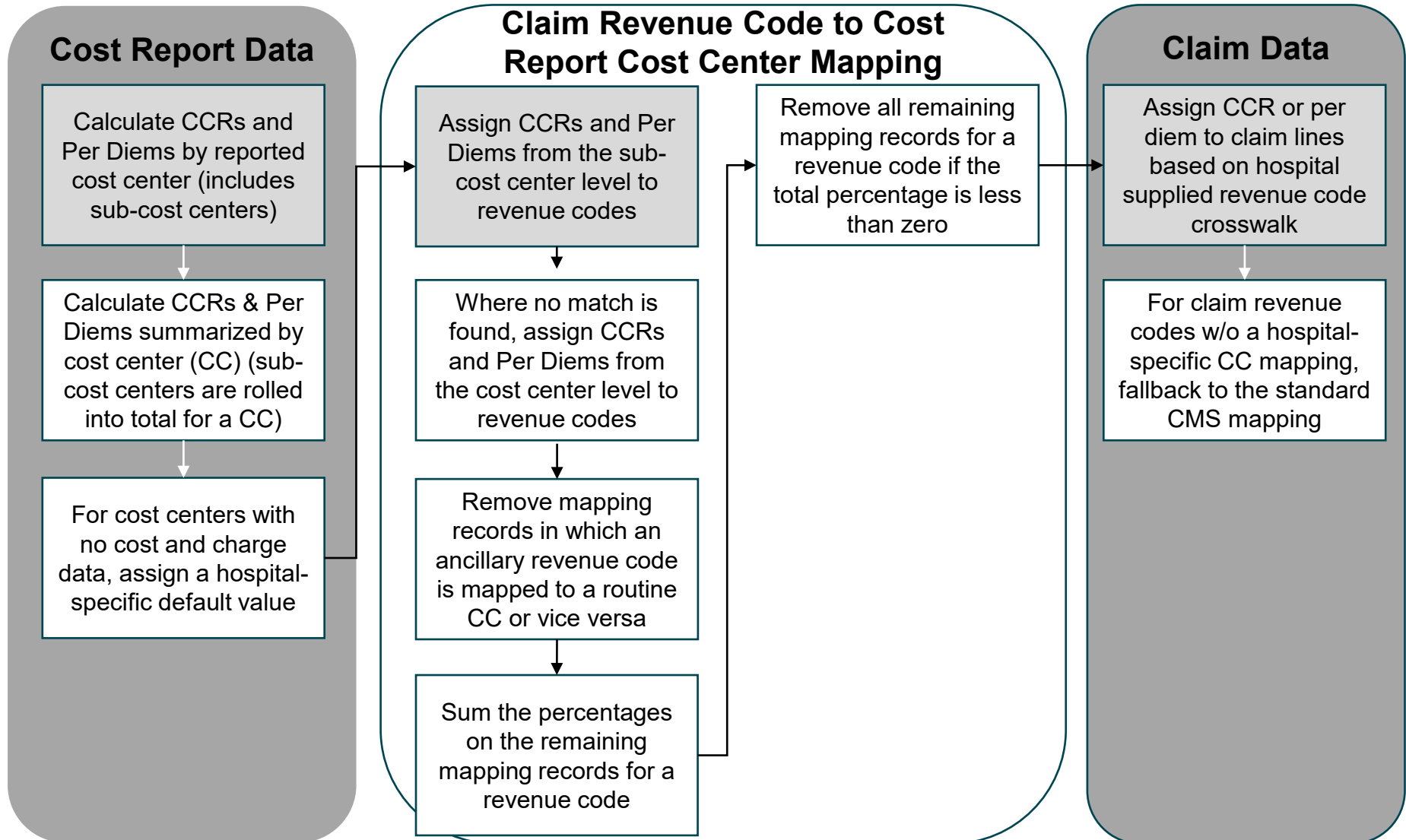
Agenda

I. Current Status

II. Hospital Cost Factors

    a. Process

    b. Examples

III. Adjust Claim Cost

IV. Next Steps

    a. Finalize Adjusted Cost

    b. DRG Weight Setting

    c. Reprice Claims

Current Status

Virginia Medicaid Rebasing Milestones and Deliverables				Task Period												
				Aug		**September**				**October**				**November**		
#	**Milestones**	**Associated Deliverables**	**Start Date**	**End Date**	15	22	1	8	15	22	1	8	15	22	1	8	15	22
1	Determine project plan and schedule	Project Plan and Schedule	8/21/2023	8/28/2023														
2	Document current payment method	Payment Method Documentation	8/28/2023	9/15/2023														
3	Update Revenue Code Mapping	Hospital Specific Mapping	9/1/2023	9/30/2023														
	Request Mapping from Providers		9/1/2023	9/8/2023														
	Track, QC, and Import Submissions		9/11/2023	9/30/2023														
4	Calculate Per Diems and CCRs	List of Per Diems and CCRs	9/15/2023	10/8/2023														
	Download and Import CRs from HCRIS		9/15/2023	9/30/2023														
	Calculate CCRs and Per Diems by Rev Cd Using Mapping		10/1/2023	10/8/2023														
5	Build Claim Data Sets	Claim Data Sets	9/25/2023	10/13/2023														
6	Cost Claim Set		10/15/2023	10/20/2023														
7	Hospital Rebasing Presentation	Presentation of Summary Data	10/27/2023	10/27/2023														
8	APR DRG State-Specific Weights	Relative Weights	10/23/2023	11/10/2023														
9	Reprice Inpatient DRG Claims	Summary of Differences; Repricing Logic	10/23/2023	11/22/2023														
10	Reprice Inpatient Per Diem Claims	Summary of Differences; Repricing Logic	11/25/2023	12/8/2023														
11	Reprice Outpatient EAPG Claims	Summary of Differences; Repricing Logic	10/23/2023	12/15/2023														
12	Draft Modeling of DRG Rates and Parameters	Rates, Parameters and Impact Summaries	11/27/2023	1/8/2024														
13	Draft Modeling of Psych/Rehab Per Diems	Rates, Parameters and Impact Summaries	12/11/2023	1/8/2024														
14	Draft Modeling of EAPG Rates and Parameters	Rates, Parameters and Impact Summaries	12/18/2023	1/21/2024														
15	Rebasing Presentation to DMAS and Stakeholders	Presentation	3/1/2024	3/1/2024														
16	Finalize DRG Rates and Payment Parameters	Rates, Parameters and Impact Summaries	1/15/2024	3/15/2024														
17	Finalize Psych/Rehab Per Diems	Rates, Parameters and Impact Summaries	1/15/2024	3/15/2024														
18	Finalize EAPG Rates and Payment Parameters	Rates, Parameters and Impact Summaries	1/22/2024	3/15/2024														
19	Final Presentations to DMAS and Stakeholders	Presentation	3/29/2024	3/29/2024														

Completed
Active
Not completed, but no projected delay
Not completed, potential for delay
Not Active

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Hospital Cost Factor Calculation Process

Cost Report Data

Calculate CCRs and Per Diems by reported cost center (includes sub-cost centers)

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Calculate CCRs & Per Diems summarized by cost center (CC) (sub-cost centers are rolled into total for a CC)

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For cost centers with no cost and charge data, assign a hospital-specific default value

Claim Revenue Code to Cost Report Cost Center Mapping

Assign CCRs and Per Diems from the sub-cost center level to revenue codes

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Where no match is found, assign CCRs and Per Diems from the cost center level to revenue codes

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Remove mapping records in which an ancillary revenue code is mapped to a routine CC or vice versa

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Sum the percentages on the remaining mapping records for a revenue code

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Remove all remaining mapping records for a revenue code if the total percentage is less than zero

Claim Data

Assign CCR or per diem to claim lines based on hospital supplied revenue code crosswalk

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For claim revenue codes w/o a hospital-specific CC mapping, fallback to the standard CMS mapping

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Hospital Cost Factors
Examples

I.   Standard Processing

II. Unmapped Revenue Codes with Sub-Cost Centers

III. Revenue Codes with Mix of Routine and Ancillary Cost Centers

IV. Revenue Code Mapping to Unavailable Cost Centers

Standard Processing

Routine Cost Centers

Revenue Code	Revenue Code Description	Hospital Mapped Cost Center	Percentage of Cost Center	Cost Report Cost Center Per Diem	Operating Per Diem Assigned to Rev Cd
0110	Room and Board Private - One Bed	30.00	1.00	$1,200	$1,200
0120	Room and Board Semi-Private - Two Bed	30.00	1.00	$1,200	$1,200
0110	Room and Board Private - One Bed	30.00	0.83	$1,200	$1,235
0110	Room and Board Private - One Bed	31.00	0.17	$1,400	$1,235

Ancillary Cost Centers

Revenue Code	Revenue Code Description	Hospital Mapped Cost Center	Percentage of Cost Center	Cost Report Cost Center CCR	Operating CCR Assigned to Rev Cd
0360	Operating Room - General	50.00	1.00	0.273	0.273
0302	Lab - Immunology	60.00	0.73	0.162	0.166
0302	Lab - Immunology	62.00	0.27	0.177	0.166

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Example with Sub-Cost Centers

Cost Report Data – Default CCR for Unmapped Cost Center

Cost Cntr Rptd	Cost Cntr Rptd Desc	Total Charges	Operating Costs	Operating CCR
54.00	RADIOLOGY-DIAGNOSTIC	$ 81,353,350	$18,120,788	0.223
54.01	ULTRA SOUND	$ 39,916,725	$ 3,680,627	0.092
54.03	ONCOLOGY	$ 22,933,735	$ 5,318,153	0.232
Total for Cost Center 54		$144,203,810	$27,119,568	0.188

Revenue Code Mapping – Use of Default Unmapped Cost Center

Revenue Code	Revenue Code Description	Hospital Mapped Cost Center	CMS Standard Mapping	Cost Center Mapping Used	Operating CCR Assigned
0483	Echocardiology	54.01	54.00	54.01	0.092
0510	Clinic - General	54.03	90.00	54.03	0.232
0940	Other Therapeutic Services - General	54.00	196.00	54.00	0.223
0401	Other Imaging Services - Diagnostic Mammography	None	54.00	54.00	0.188

← Default

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Example Routine and Ancillary Mixes

Methodology for Revenue Code Mapping that includes Routine and Ancillary Cost Centers - Mix with Total Remaining Percentage Greater Than 0

Revenue Code	Revenue Code Description	Hospital Cost Center Mapping	Cost Center Description	Applicable Revenue Code Percentage	Resulting Total Percentage	New Percentage Scaled on Remaining Rows
0391	Storage of Blood	30.00	Adults and Pediatrics (General Routine Care)	23.21%		
0391	Storage of Blood	31.00	Intensive Care Unit	17.07%		
0391	Storage of Blood	50.00	Operating Room	1.71%		2.86%
0391	Storage of Blood	60.00	Laboratory	1.37%		2.29%
0391	Storage of Blood	73.00	Drugs Charged to Patients	31.07%		52.02%
0391	Storage of Blood	91.00	Emergency	25.58%		42.83%
New Total					59.72%	100%

Excluded from ancillary revenue codes, all routine costs are accounted for in the per diem revenue codes

Methodology for Revenue Code Mapping that includes Routine and Ancillary Cost Centers - Mix with Total Remaining Percentage Less Than 0 – Use Default CMS Mapping

Revenue Code	Revenue Code Description	Hospital Cost Center Mapping	Cost Center Description	Applicable Revenue Code Percentage	Resulting Total Percentage	Cost Center Used (from CMS Mapping)	Cost Center Description
0761	Treatment Room	30.00	Adults and Pediatrics (General Routine Care)	536.87%		92	Observation
0761	Treatment Room	76.00	Other Ancillary (specify)	-793.85%		92	Observation
0761	Treatment Room	90.01	Outpatient Infusion Center	236.17%		92	Observation
0761	Treatment Room	90.13	Dept of Radiation Oncology	120.80%		92	Observation
New Total					-436.88%		

Excluded from ancillary revenue codes, all routine costs are accounted for in the per diem revenue codes
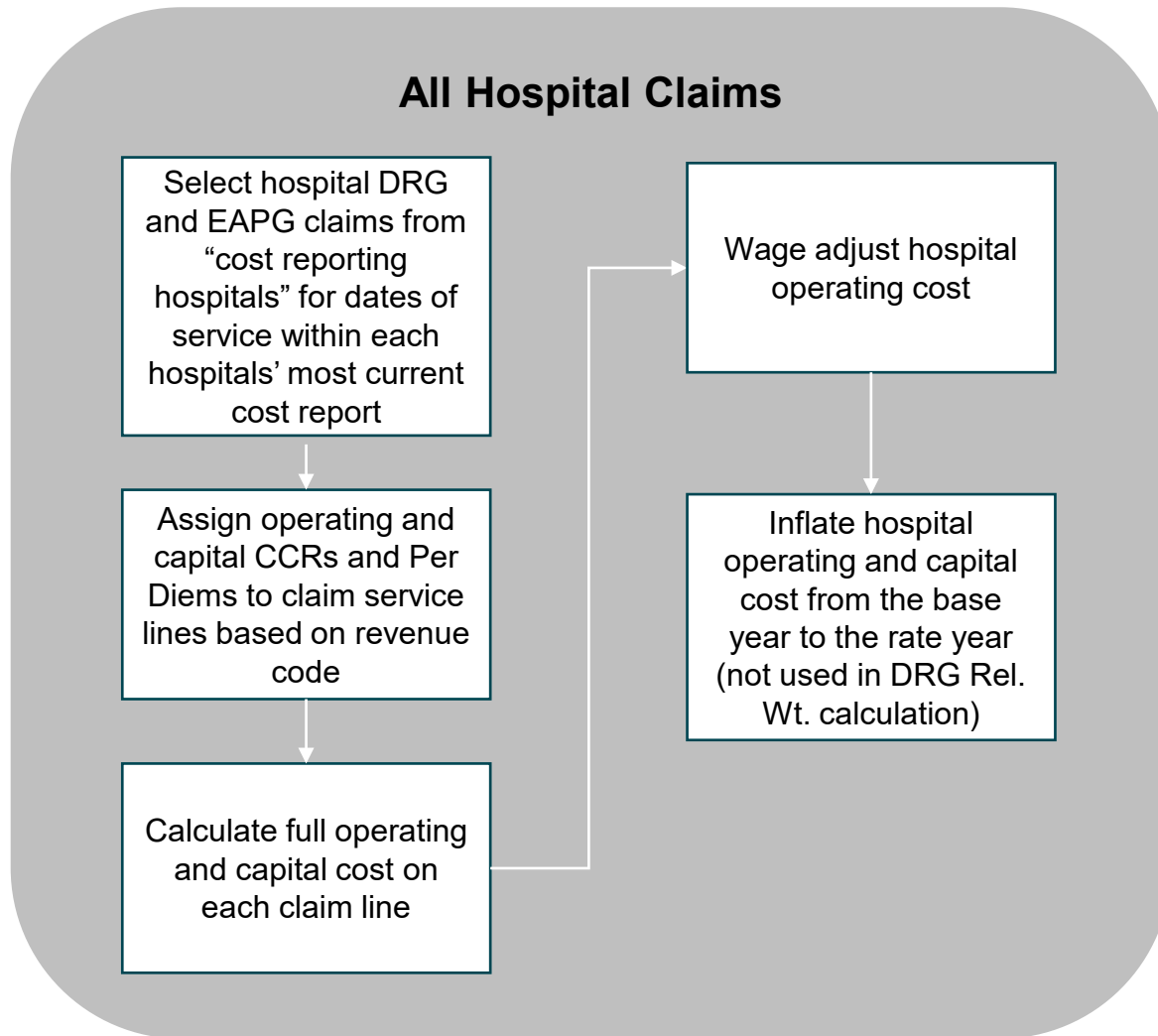
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Example Routine and Ancillary Mixes

Methodology for Revenue Code Mapping with Cost Center not available from Cost Report

Revenue Code	Revenue Code Description	Hospital Cost Center Mapping	Cost Center Description	Applicable Revenue Code Percentage	Cost Center Used
0391	Storage of Blood	50.01	???	2.44%	50.00
0391	Storage of Blood	51.00	Recovery Room	1.97%	51.00
0391	Storage of Blood	55.01	???	95.34%	55.00
0391	Storage of Blood	112.00	Other Organ Acquisition	0.24%	112.00

Cost centers not provided in cost report

Adjusted Claim Cost Process

All Hospital Claims

Select hospital DRG and EAPG claims from "cost reporting hospitals" for dates of service within each hospitals' most current cost report

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Assign operating and capital CCRs and Per Diems to claim service lines based on revenue code

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Calculate full operating and capital cost on each claim line

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Wage adjust hospital operating cost

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Inflate hospital operating and capital cost from the base year to the rate year (not used in DRG Rel. Wt. calculation)

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Next Steps – November/December Activities

Finalize Claim Set and Adjusted Costs

DRG Weight Setting

Reprice Claims

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