

VA DMAS Rate Setting Simulations

Russ Ackerman
Scott Simerly
Mal Ferguson
Josh Mihm

Agenda

- I. Inpatient Simulation Model
 - a) Overview
 - b) Simulation Model
- II. Outpatient Simulation Model
 - a) Overview
 - b) Simulation Model
- III. Follow-up

Inpatient Summary

Draft SFY 2025 Model; Version 40 APR DRGs; CAH in Separate Cost Pool; Capital Not Displayed

Summary of Simulation by Hospital Category - 3

Provider Category	Claim Count	Avg Baseline DRG Base Rate	Case Mix APR DRG v38	Baseline DRG Base Payment	Baseline Outlier Payment	Baseline DRG Payment	Average SFY 2025 Base Rate	SFY 2025 v40 Case Mix	SFY 2025 DRG Base Payment	SFY 2025 Outlier Payment	SFY 2025 DRG Payment	SFY 2025 Oper Pay to Cost	SFY 2025 Outlier % of Pymt	DRG Payment Change (Percent)	DRG Payment Change (Dollars)
CAH	629	\$ 11,802.28	1.1170	\$ 7,777,949	\$ 207,453	\$ 7,985,402	\$ 17,787.42	0.8927	\$ 9,338,106	\$ 38,515	\$ 9,376,621	103%	0.4%	17.4%	\$ 1,391,219
TYPE1	22,093	\$ 9,399.74	1.4677	\$ 299,316,109	\$ 44,077,849	\$ 343,393,958	\$ 13,137.92	1.2137	\$ 346,034,174	\$ 23,011,145	\$ 369,045,319	67%	6.2%	7.5%	\$ 25,651,361
TYPE2	131,490	\$ 9,329.53	1.1683	\$ 1,405,121,718	\$ 153,645,572	\$ 1,558,767,290	\$ 12,956.89	0.9476	\$ 1,581,344,558	\$ 80,849,405	\$ 1,662,193,963	78%	4.9%	6.6%	\$ 103,426,673
Total	154,212		1.2110	\$ 1,712,215,776	\$ 197,930,874	\$ 1,910,146,650		0.9855	\$ 1,936,716,838	\$ 103,899,065	\$ 2,040,615,903	76%	5.1%	6.8%	\$ 130,469,253

Notes:

Draft

Inpatient Summary

Walk Thru Inpatient Simulation Model

Outpatient Summary

Outpatient EAPG Version 3.18													
Summary of Simulation by Hospital Category - 3													
Provider Category	Claim Count	Average Baseline EAPG Base Rate	Total Relative Weight EAPG v3.16	Baseline EAPG Payment	Average v3.16 Case Mix	BasLn Pay to Cost	Average SFY 2025 Base Rate	Total Relative Weight EAPG v3.18	SFY 2025 EAPG Payment	Average v3.18 Case Mix	SFY 2025 Pay to Cost	Allowed Amount Change (Percent)	Allowed Amount Change (Dollars)
B	C	D = F / E	E	F	G = E / C	H	I = K / J	J	K	L = J / C	M	N = (K/F) -1	O = K - F
CAH	58,401	\$ 1,019.30	32,682	\$ 33,312,468	0.5596	98.0%	\$ 1,126.64	31,616	\$ 35,619,498	0.5414	101.4%	7%	\$ 2,307,030
TYPE1	561,455	\$ 1,346.12	445,958	\$ 600,313,997	0.7943	147.2%	\$ 882.31	429,690	\$ 379,120,252	0.7653	90.0%	-37%	\$ (221,193,745)
TYPE2	1,816,795	\$ 746.37	1,547,536	\$ 1,155,029,312	0.8518	74.6%	\$ 810.66	1,503,474	\$ 1,218,803,236	0.8275	76.2%	6%	\$ 63,773,924
Total	2,436,651		2,026,175	\$ 1,788,655,777	0.8315	89.9%		1,964,779	\$ 1,633,542,986	0.8063	79.5%	-8.7%	\$ (155,112,791)

Notes:

- 1) Totals include providers that have no submitted cost report and therefore did not have their cost included in the rate calculation
- 2) Totals include FAMIS and TDO claims that were not included in the rate setting data
- 3) CAH shows as paying over 100% of cost due to the inclusion of Lee County, which is paying at over 110% of cost
- 4) Type II shows as paying over 76% of cost due to the inclusion of rehab providers with no calculated cost

Draft

Outpatient Summary

Walk Thru Outpatient Simulation Model

April Activities

Per Diem Simulation Models

Follow-up

Incorporate Latest Inflation Values