

State of Vermont
Department of Vermont Health Access
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Agency of Human Services

Providers,

Please review the following policy summary and attached materials that describe the specific changes being proposed. With this communication, the Reimbursement Unit is inviting comments and feedback regarding the proposed changes.

Any comments should be submitted to the DVHA Reimbursement Unit by the due date specified. Your comments must be received by the due date to be considered before the final policy is released.

Send Comments to: DVHA Reimbursement Unit
312 Hurricane Lane, Suite 102
Williston, VT 05495
AHS.DVHAReimbursement@state.vt.us

Thank you for your consideration,



Kara Suter, Director of Reimbursement and Payment Reform
Meg Baldor, DVHA Rate Setting Manager



Comments Due: 9/20/2014

Proposed Effective Date: 10/1/2014

Policy Subject: Adding additional discharge status codes to the Vermont Medicaid transfer/short stay payment methodology

Purpose:

To align more closely with Medicare's Post-Acute Transfer policy.

Policy Summary:

The DVHA will be identifying four new discharge status codes which will now fall under our transfer payment methodology, and one new discharge status code which will now fall under our short stay payment methodology.

Transfer Methodology –

- 05- Discharged/transferred to a designated Cancer Center or Children's Hospital
 - Limited to only transfer MS-DRGs as defined by Medicare as Post-Acute DRGs.
- 06 - Discharged/transferred to home under care of organized home health service organization in anticipation of covered skilled care
 - Limited to only transfer MS-DRGs as defined by Medicare as Post-Acute DRGs.
- 62 – Discharged/transferred to an inpatient rehabilitation facility including rehabilitation distinct part units of a hospital
 - Limited to only transfer MS-DRGs as defined by Medicare as Post-Acute DRGs.
- 65 – Discharged/transferred to a psychiatric hospital or psychiatric distinct part of a hospital
 - Limited to only transfer MS-DRGs as defined by Medicare as Post-Acute DRGs.



Short Stay Methodology –

- 07 - Left against medical advice or discontinued care
 - If length of stay is less than the geometric mean length of stay for the DRG.

For both transfer and short stay claims, the payment is always the “lessor of cost or regular DRG payment.” In addition to the already in place 02 discharge status code, this methodology will now also be used for claims with 05, 06, 62, and 65 discharge status codes if the DRG used on the claim falls under Medicare’s list of post-acute DRGs, and for 07 discharge status code if the claims length of stay is less than Medicare’s geometric mean length of stay for the claims assigned DRG.

Provider Impact:

For provider impact, we utilized CY2012 claims data based on dates of service and looked at all paid inpatient claims with a discharge status code of 05, 06, 07, 62, or 65, along with the additional criteria listed above. We calculated what the hospital CCR (cost to charge ratio) payment would have been for the identified admissions and determined if the CCR payment would have been lower than the DRG payment that was actually made. There were 412 claims where the CCR payment was actually lower than the DRG payment, which in turn means that under this new policy, those claims would have been paid at the CCR payment rate instead of the DRG rate.

Provider Name	Claims Affected	05	06	07	62	65	Total Impact for all codes
Brattleboro Memorial Hospital	12	\$0	\$11,377	\$14,897	\$0	\$17,259	\$43,533
Central Vermont Hospital	37	\$0	\$111,867	\$5,835	\$100	\$7,025	\$124,826
Fletcher Allen Health Care	188	\$12,386	\$877,122	\$87,737	\$25,452	\$12,485	\$1,015,182
Mount Ascutney Hospital	5	\$0	\$57,141	\$0	\$0	\$0	\$57,141
Northwestern Medical Center	14	\$553	\$42,421	\$25,356	\$0	\$0	\$68,330
Rutland Regional Medical Center	32	\$0	\$93,383	\$31,069	\$0	\$16,871	\$141,324
Southwestern Vermont Medical Center	26	\$0	\$117,096	\$25,923	\$0	\$0	\$143,019
All other In-State Hospitals	38	\$12,762	\$55,453	\$33,404	\$4,121	\$1,460	\$107,201
All Out-of-State Hospitals	60	\$4,108	\$195,654	\$13,554	\$0	\$578	\$213,892
TOTAL	412	\$29,813	\$1,561,521	\$237,775	\$29,673	\$55,678	\$1,914,447
		1.56%	81.57%	12.42%	1.55%	2.91%	100.00%



Total Impact For All Codes

