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welcome to brighter

Morning Session:
APR DRG System and Overview of Hospital Exhibits

Puerto Rico Plan Vital

October 2024

1. Overview
2. Introduction to DRGs
3. ASES-Approved APR DRG Methodology
4. Hospital Exhibits
5. Hospital Payment Illustration
6. Data Issues Impacting APR DRG Payments
7. Anticipated Next Steps

Agenda

Overview

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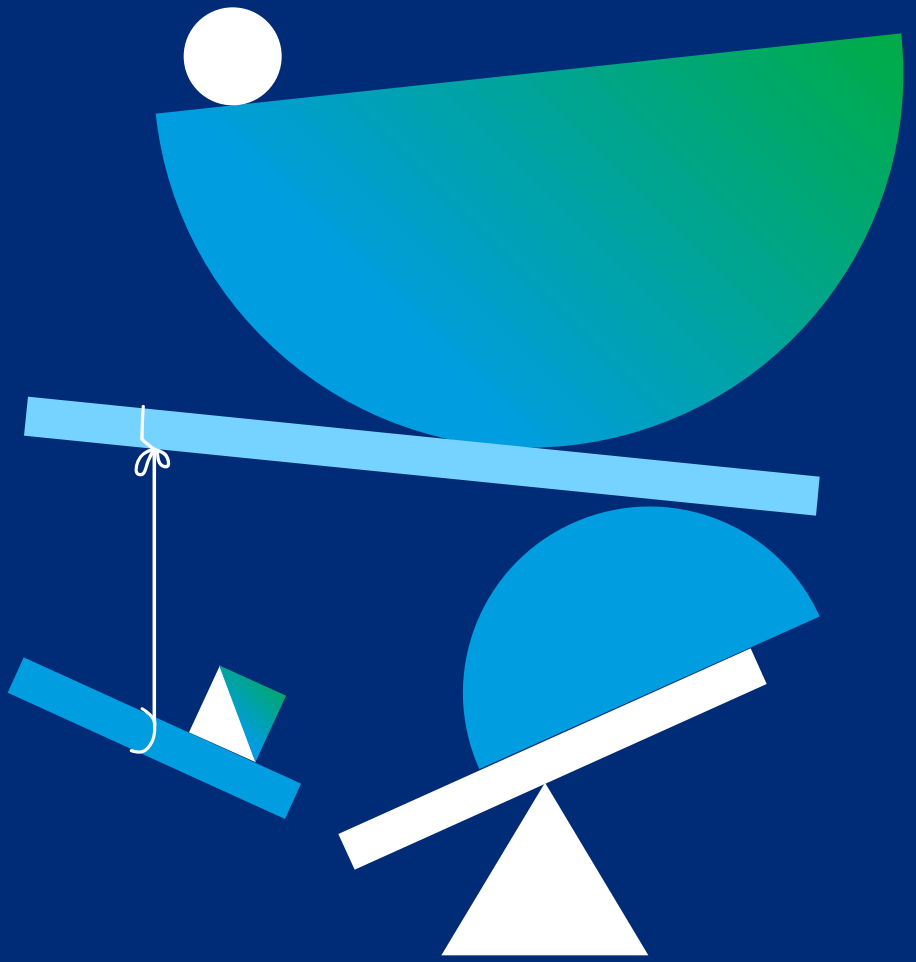
Introductions — Roles

ASES	ADMINISTRACIÓN DE SEGUROS DE SALUD DE PUERTO RICO ASES	The Government entity administering the health insurance system and the transition to an APR DRG methodology.
Mercer	Mercer	Actuarial firm contracting with ASES to design, develop, and implement the APR DRG system in Plan Vital. Providing consulting support through implementation.

Today’s Training

Objectives

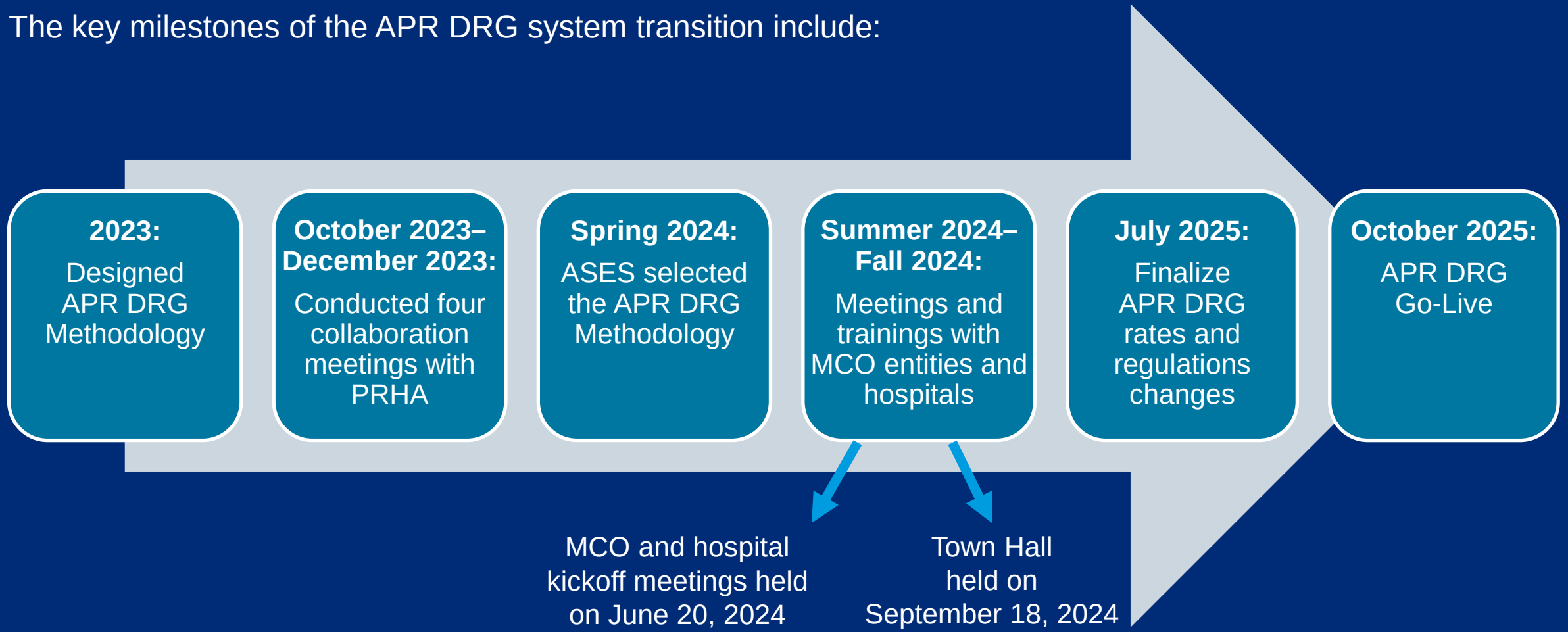
- To provide additional information on the APR DRG system that ASES will implement on October 1, 2025.
- To share context of the hospital exhibits that were recently distributed to each hospital.
- To further illustrate DRG payment results at the hospital level.
- To support a smooth transition to the new reimbursement methodology.
- To set aside time for hospitals to ask questions specific to this transition.



APR DRG Methodology in Plan Vital

Milestones (2023–2025)

The key milestones of the APR DRG system transition include:



Frequently Asked Questions

Question	Response
What are the APR DRG base rates and when will they be shared with hospitals?	Base rates used for calculating the payment are hospital-specific. Mercer shared **draft** base rates **for training purposes** with hospitals in October 2024. Finalized base rates for implementation will be shared in Summer 2025.
How can hospitals prepare for DRG implementation?	The APR DRG system will be implemented on October 1, 2025 for all STAC hospitals. ASES and Mercer are providing trainings to help hospitals prepare, but hospitals will still receive payment under the APR DRG system regardless of their billing practices. Hospitals are encouraged to improve their billing practices to receive full and appropriate payment under APR DRGs.
How much does the APR DRG software cost?	Hospitals are not required to purchase the APR DRG grouper software to receive payment from the MCOs, but it is strongly recommended to ensure and anticipate accurate payment. If your organization does want to purchase the software, please contact the local exclusive reseller vendor, Infomedika, as they were recently provided with updated 2025 pricing. The pricing varies by hospital, as it is dependent on volume (number of inpatient admissions).
When will Mercer/ASES finalize the methodology development and determine what will be carved out of payments?	For the services that will be excluded from the APR DRG payment system and paid separately, Mercer and ASES are finalizing this list and plan to share it with the hospitals and MCOs in early 2025. However, Mercer presented the final APR DRG methodology in the June 20, 2024 meetings with hospitals and MCOs. This is the methodology that will be implemented on October 1, 2025.

Introduction to DRGs

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What are DRGs?

- DRGs are a classification system that categorizes medical cases into similar groups to help standardize resource intensity and cost reimbursement across hospitals in an equitable manner
- The purpose of DRGs is to create a standardized system to evaluate patient conditions and asses the level of resources typically required to treat like cases
- DRGs help hospitals improve treatment efficiency, discourage overtreatment, improve patient safety by standardizing patient care, and provide a comparison of costs across different hospitals

APR DRG versus MS-DRG

- Both classification systems are used to group patients based on like conditions and other factors for payment purposes
- Both use relative weights to indicate resource intensity for treatment within the respective DRGs
- Major differences are listed in the table below

APR DRGs	MS-DRGs
• Clinical model used in development • Relative weights reflect all payer experience • Considers SOI, mortality risks, and multiple diagnoses/comorbidities • More granular categorizations (four levels of severity for every DRG, with differing weights) • Have additional DRGs for non-Medicare populations (such as newborn and psychiatric care)	• Statistical model used in development • Relative weights reflect Medicare payer experience • Considers complications, comorbidities, age, sex, and discharge status, but doesn't account for severity of a patient's condition • Primarily used for Medicare populations

APR DRG Classification Data Elements

SOI and ROM depend on the patient's underlying problems.

High SOI and ROM are characterized by multiple serious diseases and the interaction among those diseases

Pre-MDC transplant, ECMO, etc.

MDC

01 Nervous System

02 Eye

. . .

24 HIV Infection

25 Trauma

Not assigned to MDC
(Dx and PDx Unrelated)

Base DRG

Total = 333

Medical = 194

Surgical = 139

Error = 2

(APR DRG v40 October 2022)

Four SOI Subclasses*

Subclass	SOI
1	Minor
2	Moderate
3	Major
4	Extreme

** Severity subclasses have APR-DRG weights for each subclass*

Four ROM Subclasses**

Subclass	ROM
1	Minor
2	Moderate
3	Major
4	Extreme

*** ROM subclasses have benchmark mortality rates*

Information on this slide was developed by Solventum

ASES-Approved APR DRG Methodology

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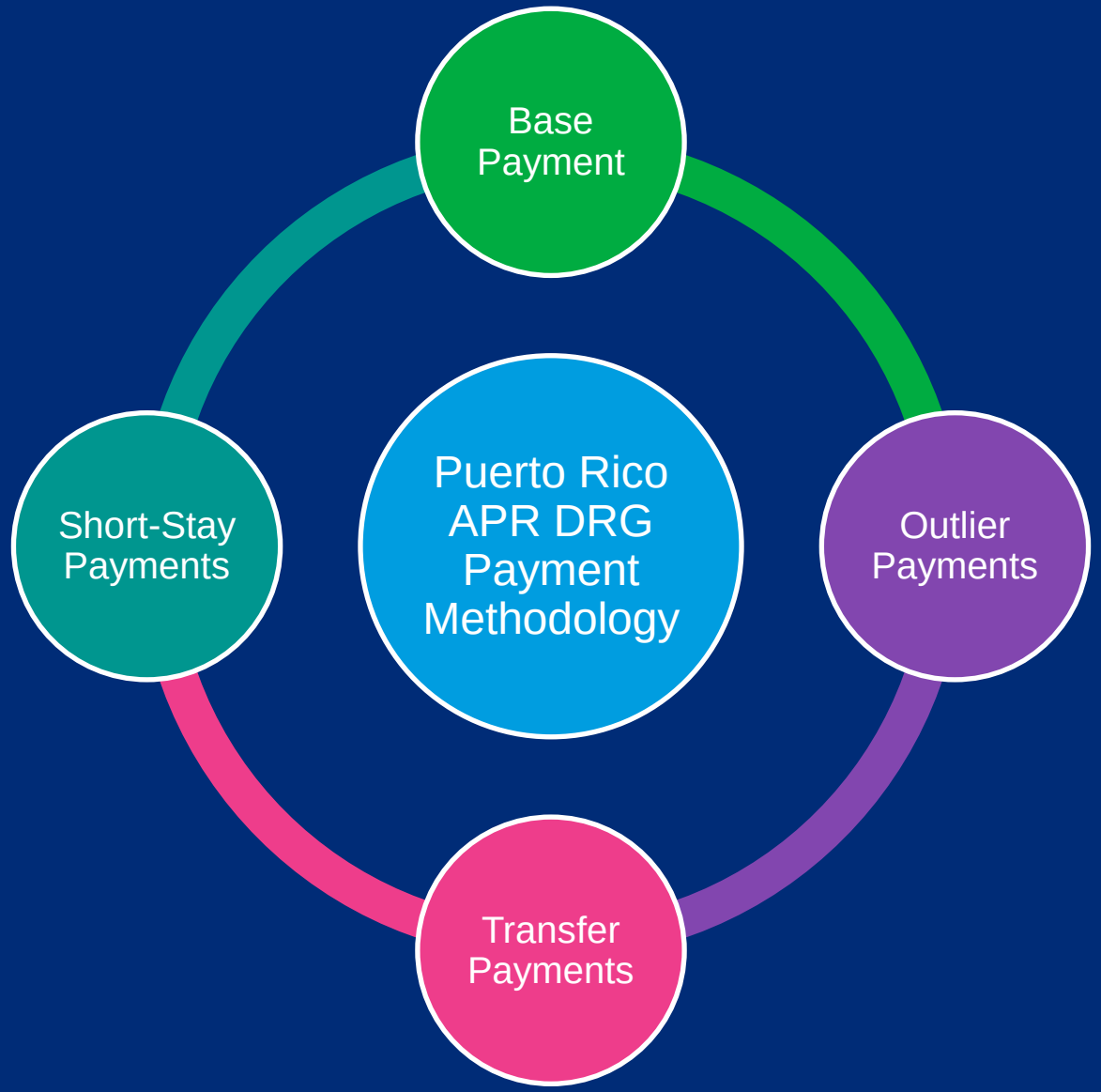
Key Components of the APR DRG Payment Methodology

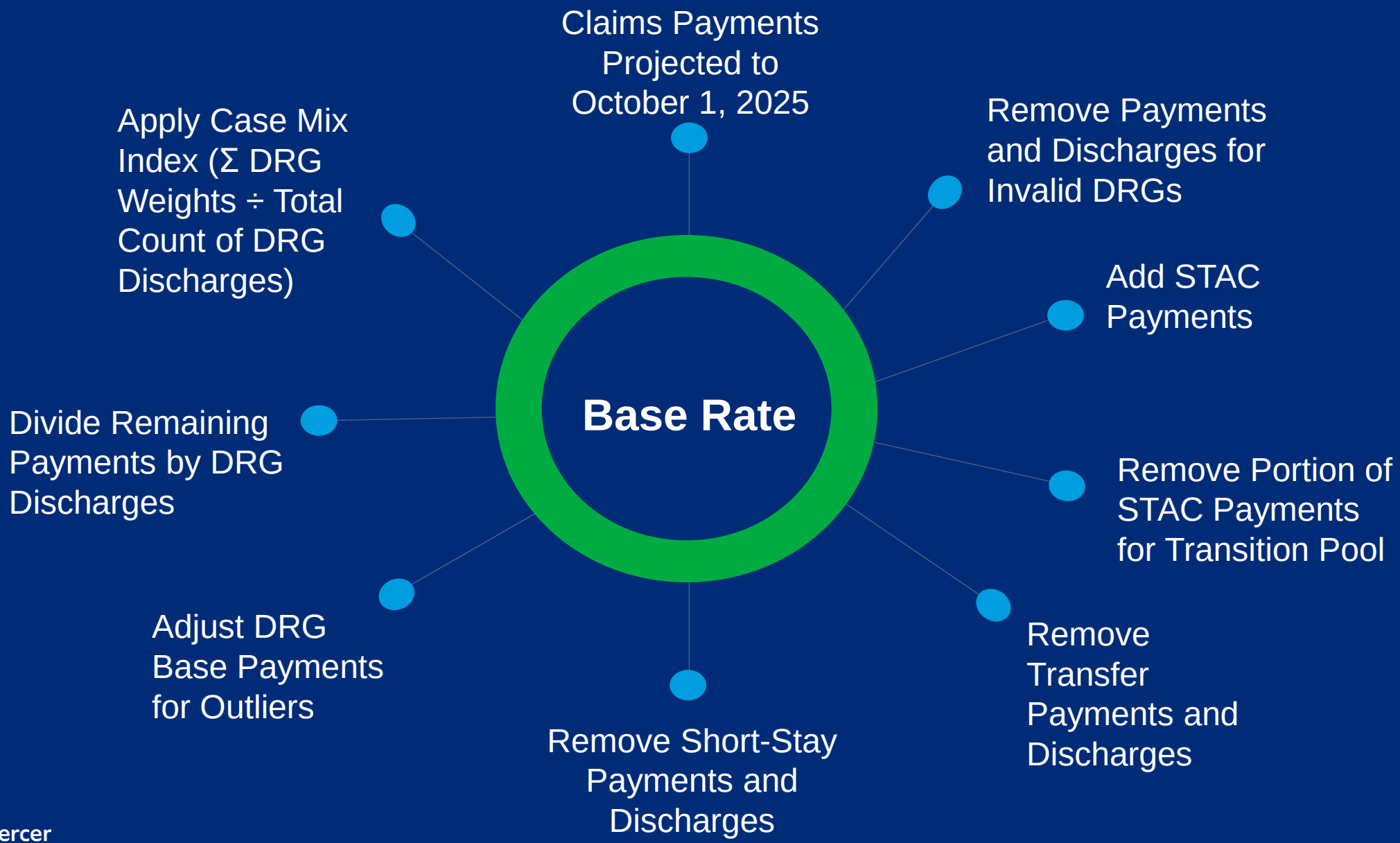


APR DRG Payment Rate Calculations

APR DRG Base Payment Formula
Each inpatient hospital discharge receives a base payment.

- **Base Rate —** Standard dollar amount developed in program design. Can be a statewide rate, hospital-specific rates, or peer group rates.
- **Relative Weight —** A factor that represents the average resource needs of the DRG. 3M develops national weights using data from all payers.
- **Policy Adjusters —** Options to enhance the base payment for specific providers and/or services, such as trauma providers or neonate DRGs.

Components of Base Rate Development

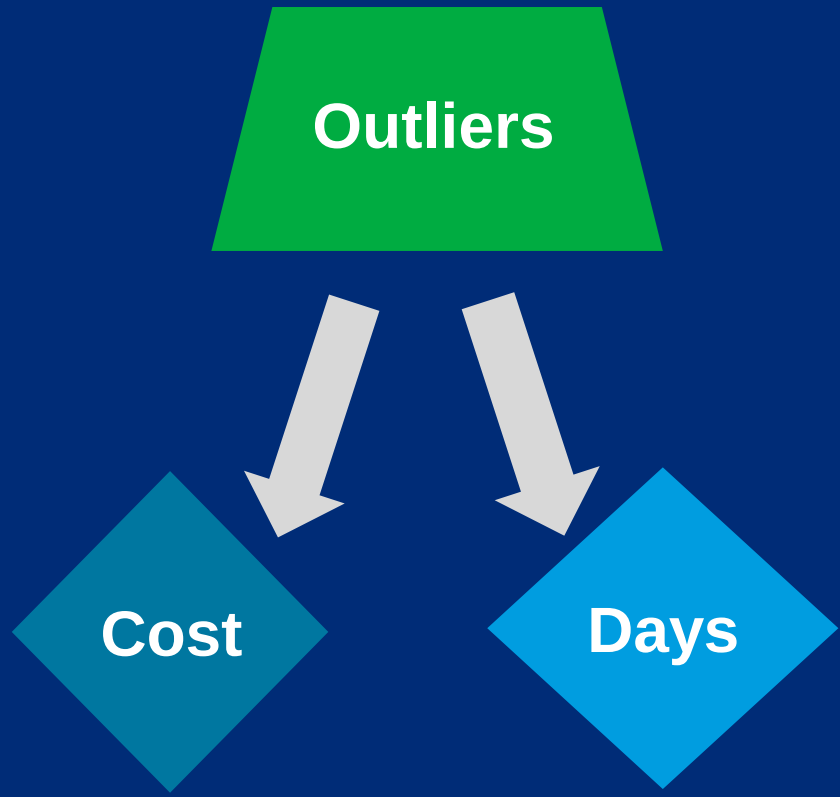


APR DRG Special Payment Mechanisms

Options Available for Outliers

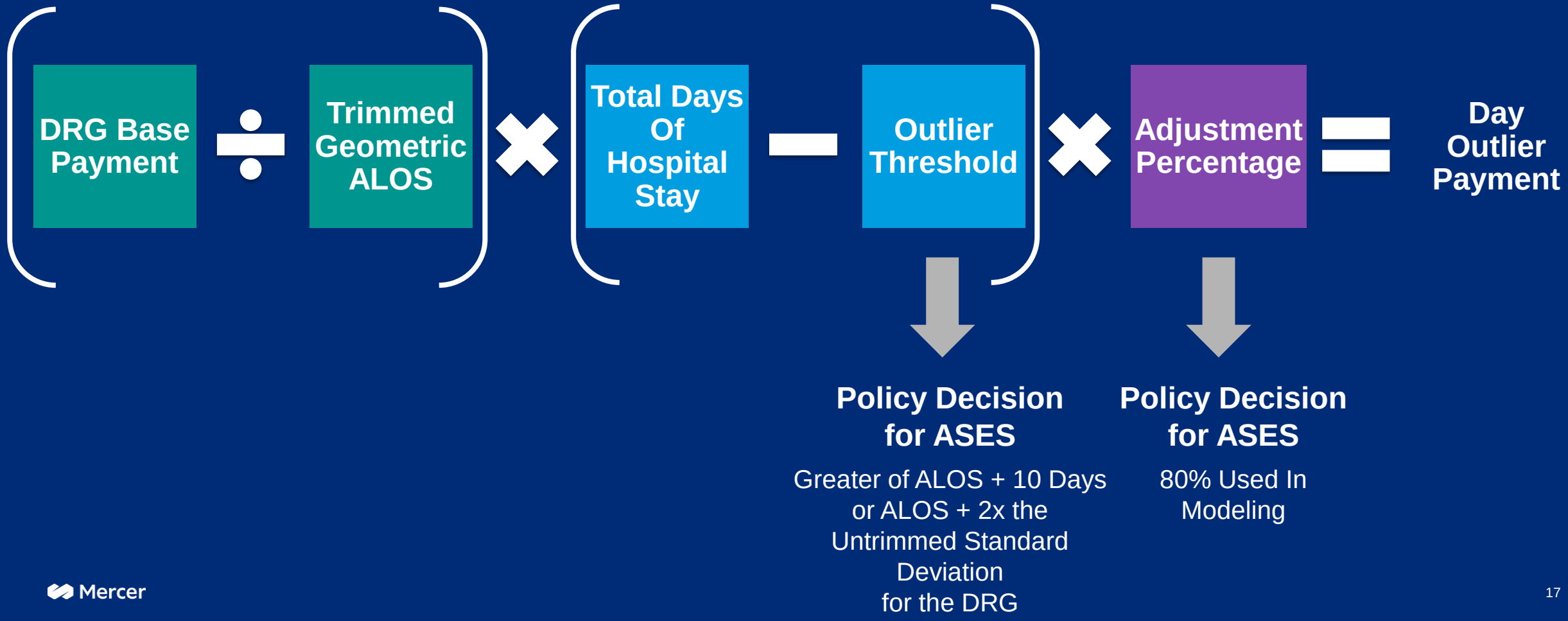
Outlier payments compensate hospitals on a fixed amount per DRG discharge with extra dollars for patient stays that substantially exceed the typical requirements for patient stays in the same DRG category

- **Cost Outliers** allow for reimbursement of cost to a hospital above a set cost threshold
- **Day Outliers** allow for additional reimbursement of days over a set day threshold for the discharge



APR DRG Special Payment Mechanisms — Outlier Policy

Day Outlier Payment Formula
ASES-Selected Outlier Approach



APR DRG Payment Rate Calculations — Examples

Transfer Payment Formula
Hospitals that transfer a patient to another hospital receive a prorated payment.

Determine the eligible stays based on patient discharge status codes 02, 05, 07, or 82

The payment is the lessor of the following:

Or the calculated DRG Base Payment (Base Payment x DRG Weight)

APR DRG Methodology Categories

Short-Stay Provisions

Description	Policy to reimburse for low-cost, short-stay cases

Short-Stay Considerations:

- Exclude APR DRGs 626 and 640 to ensure typical newborns are not impacted with short-stay
- Set minimum threshold for cost incurred to ensure payments are not disproportionally high compared to the cost of services provided
- Cost-based calculations preferred, but due to coding issues with claims, the application of days will need to be applied

Threshold	Geometric Trimmed Length of Stay less one standard deviation of the Geometric Trimmed Length of Stay
Calculation	Per Diem calculated based on DRG Base Payment ÷ Geometric Trimmed Length of Stay x Mercer Days

Proposed Transition Methodology

APR DRG Implementation in Plan Vital

Transition | Mercer proposes a transition period to an APR DRG system to ease the conversion on hospitals from the current system.

The transition approach includes:

- A Transitional Payment Pool to provide additional reimbursement for hospitals with larger decreases in revenue:
  - The Transitional Payment Pool will ensure no hospital is disproportionally harmed in transition from the current per diem methodology to an APR DRG system due to coding and documentation difficulties
  - For Year 1 of the APR DRG system, a portion of the funding traditionally allocated for STAC directed payments will be set aside
  - The amount of funding in the Transitional Payment Pool will decrease over time

The primary goal of the Transitional Payment Pool is to provide additional reimbursement to hospitals with larger reductions in payments under the APR DRG system as compared to the prior system.

Proposed Transition Methodology

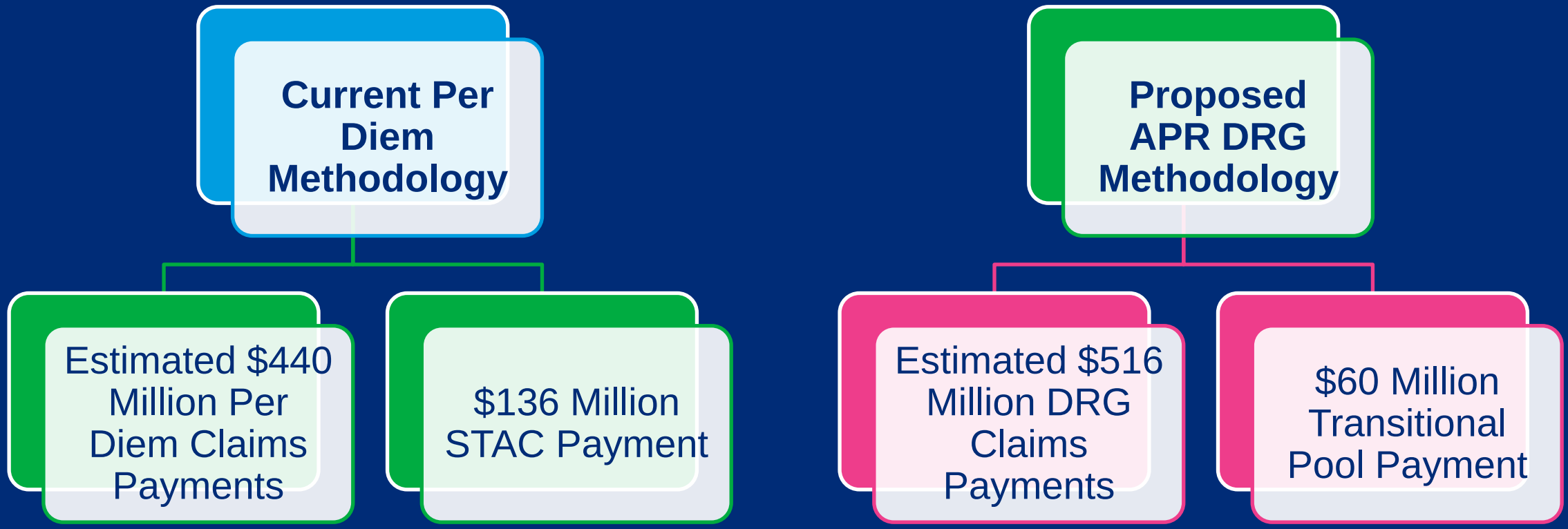
APR DRG Implementation in Plan Vital

During the transition payment process of the APR DRG system, the hospitals will be categorized into the following three groups.

1	If total APR DRG payments are less than 95% of the payments made to the hospital under the prior system*	Hospital receives Transitional Payment up to 95% of prior payments
2	If total APR DRG payments are between 95% and 100% of the payments made to the hospital under the prior system*	Hospital receives Transitional Payment **only if** funding remains after increasing payments to Group 1
3	If total APR DRG payments exceed 100% of the payments made to the hospital under the prior system*	Hospital receives no Transitional Payment

*Payments made to the hospital under the prior system equals the claim payments + STAC Directed Payments

Increased Claims Payments Under APR DRGs



Overview of APR DRG Design

Category	Criteria
Simulation Encounter Claim Period	Encounter claims with dates of discharge between January 1, 2021 and December 31, 2022, paid through December 31, 2023
DRG Grouper Version	APR DRG (Version 40)
DRG Relative Weight Set	National relative weights from APR DRG (Version 40)
Base Rate	Individual Hospital Base Rates
Short-Stay Provisions	Pay a per diem payment for inpatient stays with a length of stay less than the DRG national ALOS (minus one standard deviation)
Transfer Provisions	Hospital receiving the patient gets the full APR DRG payment. Hospital transferring the patient gets the payment rate divided by the national ALOS for the specific APR DRG, multiplied by the total days of the discharge.
Partial Eligibility Provisions	For discharges that occur after the expiration of eligibility, the hospital shall receive a full APR DRG payment if the length of stay under Medicaid eligibility is greater than the trimmed geometric ALOS for the DRG. Outlier provisions will apply for length of stay under Medicaid eligibility. For discharges for which the length of stay for Medicaid eligibility is less than the trimmed geometric ALOS for the DRG, a per diem will be paid for each day under Medicaid eligibility.

Overview of APR DRG Design

Category	Criteria
Outlier Provisions	• Claims qualifying for an outlier payment must meet the threshold. Those that qualify then get the outlier payment calculation in addition to the standard DRG payment. • The threshold is greater of ALOS + 10 days or ALOS + two standard deviations. Outlier Payment is the hospital-specific average payment per day for APR DRG times days exceeding the threshold, times 80%.
Policy Adjusters	None included
Exclusions	• Transplants • Stays for which Admission Date = Discharge (pay under outpatient hospital methodology) • Specific drugs and injectables related to CAR T-Cell Therapy, Hemophilia, Gene Therapy, and Long-Acting Reversable Contraceptives
Bundling of Outpatient Services Prior to Admission	None included
Interim Claims	Interim claims have been aggregated into final claim

Overview of APR DRG Design

Category	Criteria
Hospital-Acquired Condition	Consistent with MCO contractual language, prevent payment for all hospital-acquired conditions as identified by Medicare other than DVT/PE following total knee replacement or hip replacement surgery in pediatric and obstetric patients for inpatient hospital services; any incorrect surgical or other invasive procedure performed on a patient; any surgical or other invasive procedure performed on the incorrect body part; or any surgical or other invasive procedure performed on the incorrect patient for inpatient and non-institutional services.
Transitional Period	***Proposed approach under discussion with ASES.*** Implementing a transition payment pool for Year 1 of APR DRG system, in which a portion of the funding traditionally allocated for STAC directed payments will be set aside, rather than incorporated into the DRG base payments. The transition payment pool will be used to mitigate any negative funding impacts from the change to the APR DRG system for all facilities. The current withhold amount considered is $60 million for Year 1.

Hospital Exhibits

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Hospital Exhibits

- On October 11, 2024, ASES shared a file with each hospital detailing the distribution of claims under APR DRG using claims with a discharge date from January 1, 2021–December 31, 2022, paid through December 31, 2023.
- The file contained the following tabs:
  - Disclosures: general notes about the file
  - Data Dictionary: quick reference for terminology used throughout the exhibit and this process
  - Hospital Base Rate Calculation: breakdown of how the base rate for hospital was calculated
  - Hospital Summary (DRG and SOI): distribution of discharges and paid dollars by DRG and SOI
  - Distribution of SOIs: comparison of SOI frequencies for hospitals versus national weights
  - MCO Summary: distribution of discharges and paid dollars by MCO

Hospital Exhibits

Disclosures

Mercer Government

Puerto Rico

October 2024

This report covers the APR-DRG hospital base rate development process, including summaries of the data used in the process. The data is comprised of Plan Vital inpatient hospital claims with a discharge date from January 1, 2021, through December 31, 2022, paid through December 31, 2023.

Hospital Exhibits

Data Dictionary

Key Terms	Notes
Discharges	A discharge is an inpatient hospital stay where the treatment of a patient at the given hospital has been completed and/or the patient is no longer receiving inpatient care. Discharge counts include invalid DRGs, transfers, and short stays unless otherwise stated.
MCO Payments	Amounts paid by Plan Vital MCOs for inpatient hospital claims with a discharge date from January 1, 2021, through December 31, 2022, paid through December 31, 2023.
Trended MCO Payments	The MCO Payments on inpatient claims, adjusted to account for the 5% hospital reimbursement increases that came into effect on October 1, 2021, and January 1, 2023, as well as a 5% increase which is pending FOMB approval and would become retroactively effective starting October 1, 2023.
Short-Term Acute Care (STAC) Directed Payments	Federal Fiscal Year 2024 (FFY2024) estimated payments. The STAC amount has been adjusted to represent two years to match the paid claims time period.
All Patients Refined Diagnosis Related Groups (APR-DRG)	A classification system, developed by Solventum, that classifies patients according to their reason for admission, severity of illness (SOI), and risk of mortality.
SOI	Each DRG is split into four subclasses (1–4), with subclass 1 representing the lowest-severity case of the associated DRG and 4 representing the highest-severity case of the associated DRG.
Discharges with Invalid DRGs	Inpatient claims with DRGs 955 and 956, representing claims that do not have enough information to be categorized into other DRGs. These claims are not included in the base rate calculation.
Average Length of Stay (ALOS)	The number of days on average that a patient is expected to spend in the hospital. Each DRG and SOI combination has an associated ALOS based on national data as published by Solventum.
Standard Deviation	Each DRG and SOI combination has a standard deviation, based on the standard deviation for its ALOS as published by Solventum.
DRG Weight	The average resources required to care for cases associated with the assigned DRG and SOI combination, relative to the average resources required to treat cases in all DRG and SOI combinations.

Hospital Exhibits

Base Rate Calculation

Hospital NPI
123456
Hospital Name
ABC

Hospital Payment Pool for APR-DRG Calculations			
Calculation Description		**Discharges**	**Amount**
	Trended MCO Payments	2,000	$10,000,000
–	Trended MCO Payments, Discharges with Invalid DRGs	(10)	($200,000)
+	FFY2024 STAC Directed Payments multiplied by two		$1,000,000
	Trended MCO Payments + STAC Payments	**1,990**	**$10,800,000**
–	Transition Pool Reserve (Hospital Portion of STAC Payments)[1]		($100,000)
–	Transfer and Short Stay Calculated Payment[2]	(160)	($200,000)
–	Outlier Calculated Payment[3]		($1,500,000)
	Hospital Payment Pool for APR-DRG Calculations	**1,830**	**$9,000,000**

Calculation of APR-DRG Hospital Base Rate		
Calculation Description		**Amount**
	Hospital Payment Pool for APR-DRG Calculations (Simulated Payments)	$9,000,000
÷	Hospital Payment Pool - Discharges	1,830
	Hospital Payment Pool Per Discharge	$4,918.03
÷	Hospital APR-DRG Case Mix	0.80
	Base Rate Calculation	**$6,147.54**

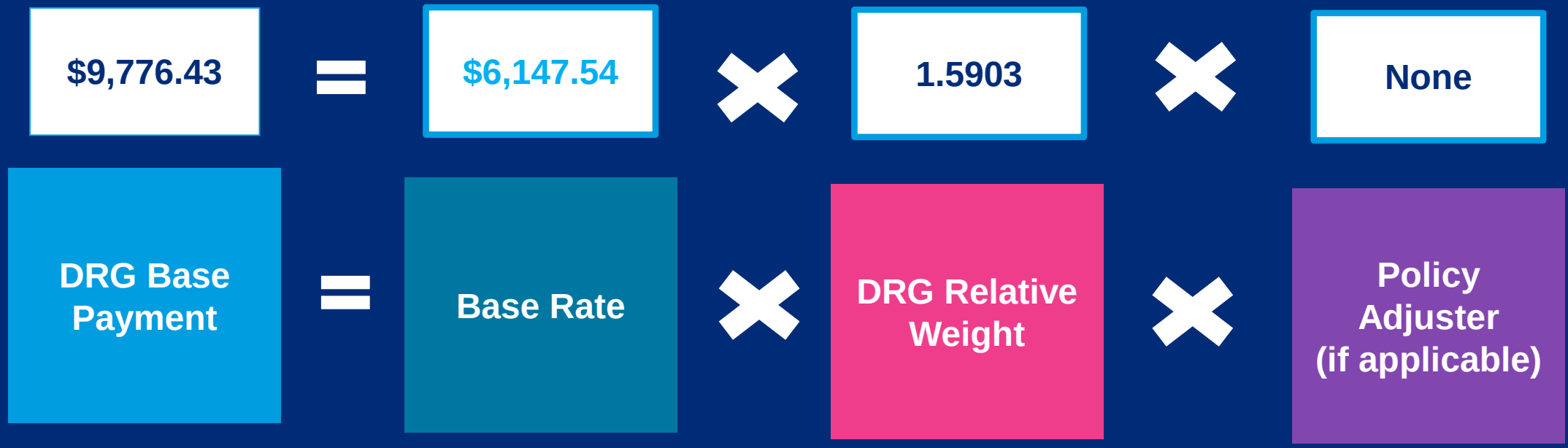
*Numbers shown are for demonstration purposes only and do not represent any actual results.

In this example, the hospital-specific base rate is $6,147.54 per discharge

Application of APR DRG Base Rate

The hospital-specific base rate is applied to each inpatient hospital discharge.

Example: Percutaneous Cardiac Intervention with AMI (APR DRG 174)
(Non-transfer, Non-outlier stay)



*Numbers shown are for demonstration purposes only and do not represent any actual results.

Hospital Exhibits

Hospital Summary — DRG and SOI

DRG and SOI Summary — Version 1 (October 2024)

Plan Vital inpatient hospital claims with a discharge date from January 1, 2021, through December 31, 2022, paid through December 31, 2023.

Hospital NPI
123456
Hospital Name
ABC
APR-DRG Base Rate
$7,558.14

APR DRG	SOI SUBCLASS	APR-DRG Description	DRG Weight	Discharges	MCO Payments	Trended MCO Payments
Total				2,000	$ 8,000,000	$ 10,000,000
052	4	ALTERATION IN CONSCIOUSNESS	1.693	-	$ -	$ -
053	1	SEIZURE	0.506	5	$ 20,000	$ 21,000
053	2	SEIZURE	0.616	2	$ 10,000	$ 10,500
053	3	SEIZURE	0.829	-	$ -	$ -
053	4	SEIZURE	1.953	-	$ -	$ -
054	1	MIGRAINE AND OTHER HEADACHES	0.548	10	$ 40,000	$ 42,000
054	2	MIGRAINE AND OTHER HEADACHES	0.648	-	$ -	$ -
054	3	MIGRAINE AND OTHER HEADACHES	0.825	-	$ -	$ -
054	4	MIGRAINE AND OTHER HEADACHES	1.333	-	$ -	$ -
055	1	HEAD TRAUMA WITH COMA > 1 HOUR OR HEMORRHAGE	0.641	1	$ 5,000	$ 5,250
055	2	HEAD TRAUMA WITH COMA > 1 HOUR OR HEMORRHAGE	0.883	-	$ -	$ -
055	3	HEAD TRAUMA WITH COMA > 1 HOUR OR HEMORRHAGE	1.351	-	$ -	$ -
055	4	HEAD TRAUMA WITH COMA > 1 HOUR OR HEMORRHAGE	2.641			

*Numbers shown are for demonstration purposes only and do not represent any actual results.

Hospital Exhibits

Distribution of SOIs

APR-DRG Severity of Illness (SOI) Distribution — Version 1 (October 2024)

Plan Vital inpatient hospital claims with a discharge date from January 1, 2021, through December 31, 2022, paid through December 31, 2023.

Hospital NPI
123456
Hospital Name
ABC

	Plan Vital Totals, Version 40		National Totals, Version 40		
SOI	CY2021–2022 Discharges	Percent of Total Claim Count	Discharges	Percent of Total Claim Count	Difference
0	10	0.5%	-	0%	1%
1	1,210	60.5%	4,498,795	35%	26%
2	500	25.0%	4,836,294	37%	-12%
3	200	10.0%	2,640,152	20%	-10%
4	80	4.0%	1,032,039	8%	-4%
Total	2,000	100.0%	13,007,280	100%	0%

*Numbers shown are for demonstration purposes only and do not represent any actual results.

Hospital Exhibits

MCO Summary

MCO Summary — Version 1 (October 2024)

Plan Vital inpatient hospital claims with a discharge date from January 1, 2021, through December 31, 2022, paid through December 31, 2023.

Hospital NPI
123456
Hospital Name
ABC

Carrier	Carrier Name	Discharges	MCO Payments	Trended MCO Payments
A	Carrier 1	400	$ 1,500,000	$ 2,000,000
B	Carrier 2	700	$ 3,000,000	$ 3,600,000
C	Carrier 3	300	$ 1,000,000	$ 1,400,000
D	Carrier 4	600	$ 2,500,000	$ 3,000,000
Total		**2,000**	**$ 8,000,000**	**$ 10,000,000**

*Numbers shown are for demonstration purposes only and do not represent any actual results.

Hospital Payment Illustration

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Simulation Results for Rate Methodology

DRG Versus Per Diem (Before Transition Pool): Claim Payments + STAC Directed Payments

Base Rates	Number of Hospital IDs	Total DRG Payments	Total Trended Per Diem Payments + STAC Directed Payments	Variance	Variance Percentage
	(A)	(B)	(C)	(D) = (B) – (C)	(E) = (D) / (C)
Less Than $5,000 per Discharge	5	$13,000,127	$15,964,986	($2,964,859)	(18.57%)
$5,000–$7,000 per Discharge	42	$349,871,530	$401,265,919	($51,394,389)	(12.81%)
$7,000–$9,000 per Discharge	7	$132,127,706	$141,006,467	($8,878,761)	(6.30%)
Greater than $9,000 per Discharge	2	$21,711,677	$18,473,758	$3,237,919	17.53%
Total	**56**	**$516,711,040**	**$576,711,130**	**($60,000,090)**	**(10.40%)**

Simulation Results for Rate Methodology

DRG Versus Per Diem: Claim Payments + Transition Payments

Base Rates	Number of Hospital IDs	Total DRG Payments + Transition Payments	Total Trended Per Diem Payments + STAC Directed Payments	Variance	Variance Percentage
	(A)	(B)	(C)	(D) = (B) – (C)	(E) = (D) / (C)
Less Than $5,000 per Discharge	5	$15,800,058	$15,964,986	($164,928)	(1.03%)
$5,000–$7,000 per Discharge	42	$397,120,589	$401,265,919	($4,145,330)	(1.03%)
$7,000–$9,000 per Discharge	7	$141,262,285	$141,006,467	$255,818	0.18%
Greater than $9,000 per Discharge	2	$22,528,199	$18,473,758	$4,054,441	21.95%
Total	**56**	**$576,711,131**	**$576,711,130**	**$1**	**0.00%**

Estimated $5.6 Million Needed In Additional Funding for
All Hospitals to be Budget Neutral

Comparison of DRG Payments Vs. Per Diem Payments

Per Diem Payments Include STAC Payments

Example: Subset of DRG Payment Comparison To Per Diem Payments With STAC

APR DRG	SOI	DRG Description	Weights	Discharges	Simulated DRG Payments	Current Methodology: Per Diem + STAC	Difference
137	4	MAJOR RESPIRATORY INFECTIONS AND INFLAMMATIONS	1.5020	35	$451,048	$189,950	$261,099
175	1	PERCUTANEOUS CARDIAC INTERVENTION WITHOUT AMI	1.8297	47	$530,254	$255,075	$275,179
263	1	CHOLECYSTECTOMY	0.9659	50	$298,658	$271,357	$27,301
539	1	CESAREAN SECTION WITH STERILIZATION	0.4947	41	$125,303	$222,513	($97,210)
540	1	CESAREAN SECTION WITHOUT STERILIZATION	0.4932	73	$222,625	$396,181	($173,556)
560	1	VAGINAL DELIVERY	0.2906	91	$162,732	$493,869	($331,137)
640	1	NEONATE BIRTH WEIGHT > 2499 GRAMS, NORMAL NEWBORN OR NEONATE WITH OTHER PROBLEM	0.0952	44	$25,826	$238,794	($212,968)
		Total		**381**	**$1,816,445**	**$2,067,739**	**($251,294)**

Amount Needed in Transition Pool to be Budget Neutral = ($251,294)

Assumes no transfers or short stays in example. Numbers are for demonstration purposes only and do not represent any actual results.

Proposed Transition Methodology

During the transition payment process of the APR-DRG system, the hospitals will be categorized into 3 groups:

1 If total APR-DRG payments are less than 95% of the payments made to the hospital under the prior system*

→ Hospital receives Transitional Payment up to 95% of prior payments.

→ Difference of $251,294 is 88% of the payments under prior system.

This hospital needs $147,907 in transition payments to get to 95%.

2 If total APR-DRG payments are between 95% and 100% of the payments made to the hospital under the prior system*

→ Hospital receives Transitional Payment **only if** funding remains after increasing payments to Group 1

3 If total APR-DRG payments exceed 100% of the payments made to the hospital under the prior system*

→ Hospital receives no Transitional Payment

*Payments made to the hospital under the prior system equals the claim payments + STAC Directed Payments.

Proposed Transition Methodology

During the transition payment process of the APR-DRG system, the hospitals will be categorized into 3 groups:

1	If total APR-DRG payments are less than 95% of the payments made to the hospital under the prior system*	▶	Hospital receives Transitional Payment up to 95% of prior payments.	▶ $147,907
2	If total APR-DRG payments are between 95% and 100% of the payments made to the hospital under the prior system*	▶	Hospital receives Transitional Payment **only if** funding remains after increasing payments to Group 1	▶ Assuming funding remains, this hospital receives additional $82,809
3	If total APR-DRG payments exceed 100% of the payments made to the hospital under the prior system*	▶	Hospital receives no Transitional Payment	

*Payments made to the hospital under the prior system equals the claim payments + STAC Directed Payments.

Example: Summary of Hospital Payments

Per Diem Methodology	Claims: $1,684,824	
	STAC Payment: $382,915	
	Total Payment: $2,067,739	
DRG Payment Methodology	Claims: $1,816,445	Hospital is paid 98.97% of its funding under the prior system
	Transition Payments: $229,996	
	Total Payment: $2,046,441	

Additional Funding Needed to make All Hospitals Budget Neutral ($21,298 for this example)

Data Issues Impacting APR DRG Payments

6

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Success of Coding Under APR DRGs

- Quality of Coding is Important
- The success of APR DRGs ultimately depends on:
  - Complete and accurate coding
  - Clinical specificity = coding specificity
- Documentation and coding must be done for all diagnoses and procedures, not just to the point of full reimbursement

Source: https://www.bluecrossmn.com/sites/default/files/DAM/2021-11/P11GA_12586605-APR.pdf

Plan Vital APR DRG Simulation Versus National Standards

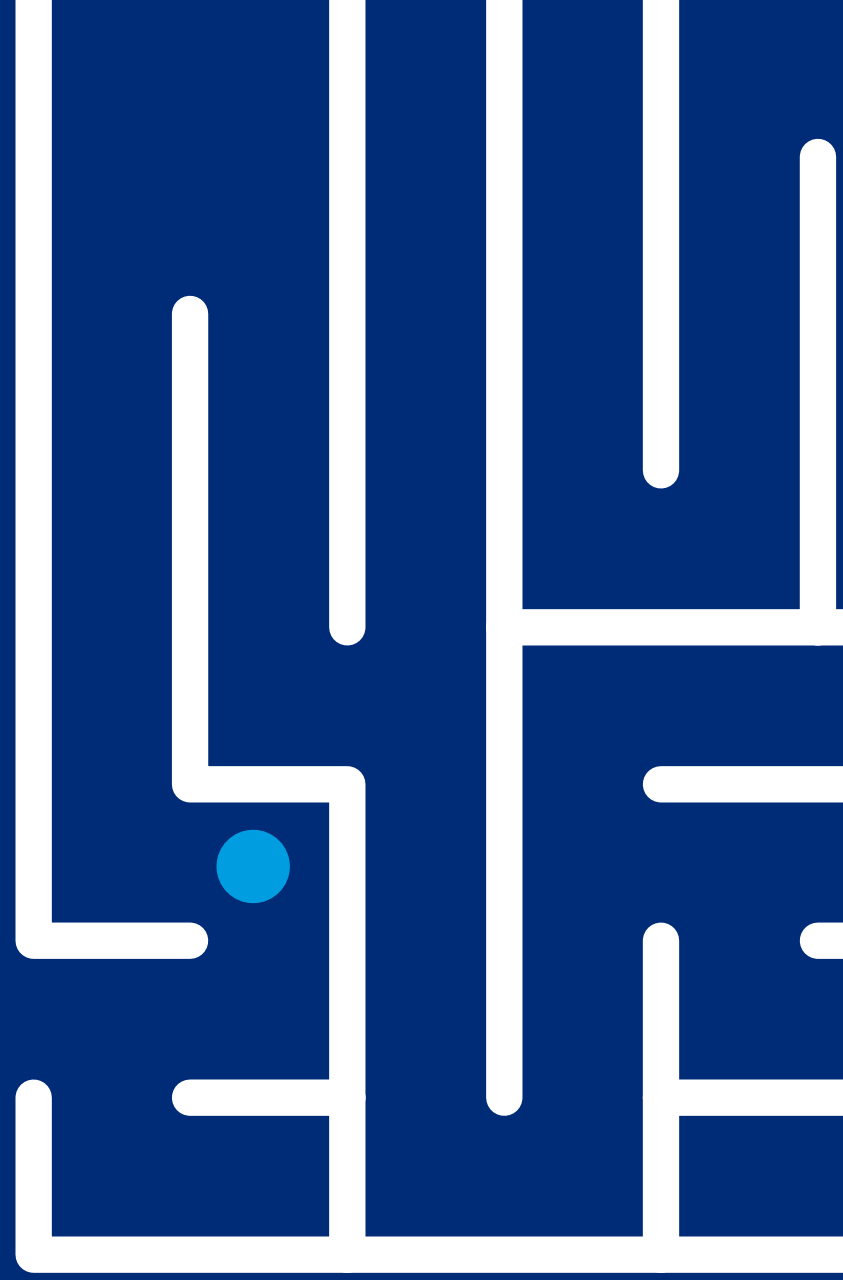
SOI

A comparison of the SOI level in Plan Vital encounter claims assigned using the APR DRG methodology to those published nationally is displayed below.

	Plan Vital — Version 40		National Totals — Version 40		
SOI	Total Count of Claims (CYs 2021 and 2022)	Percentage to Total	Total Count of Claims	Percentage to Total	Difference
1	109,569	56.4%	4,498,795	34.6%	63.1%
2	60,282	31.1%	4,836,294	37.2%	(16.4%)
3	19,415	10.0%	2,640,152	20.3%	(50.7%)
4	4,806	2.5%	1,032,039	7.9%	(68.7%)
Total	**194,200**	**100.0%**	**13,007,280**	**100.0%**	**N/A**

Limitations with Plan Vital Encounter Data

- Hospital claims submitted to MCOs include the necessary information for payment under the current per diem methodology; however, for purposes of APR DRGs:
  - There are missing or incomplete values on the encounter claims, such as discharge status code and present on admission indicators
  - Not all revenue codes and charges for an inpatient hospital stay are included on the claims
- Unknown age of newborn inpatient stays — Newborn stays are reported with mother's Medicaid identification
- MCOs have sub-capitated arrangements for some inpatient hospital services



Anticipated Next Steps

7

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Moving Forward

Anticipated Next Steps

June 2024

- Meet with Plan Vital MCO entities to discuss the DRG methodology system and operational changes (system updates with Solventum)
- Meet with hospitals to review DRG methodology system

Late Summer 2024/Fall 2024

- Continued conversations with MCO entities and hospitals
- Training sessions with hospitals related to DRG reimbursement and billing practices

July 2025

- Finalize Rates for Implementation using updated data
- Medicaid Regulation Updates: State Plan Amendment

Moving Forward

Anticipated Next Steps

To finalize the APR DRG Rates for Implementation:

Update Claims Period

- From discharges occurring in CY 2021 and CY 2022 encounter claims
- To discharges occurring in CY 2022 and CY 2023 (paid through December 2024)

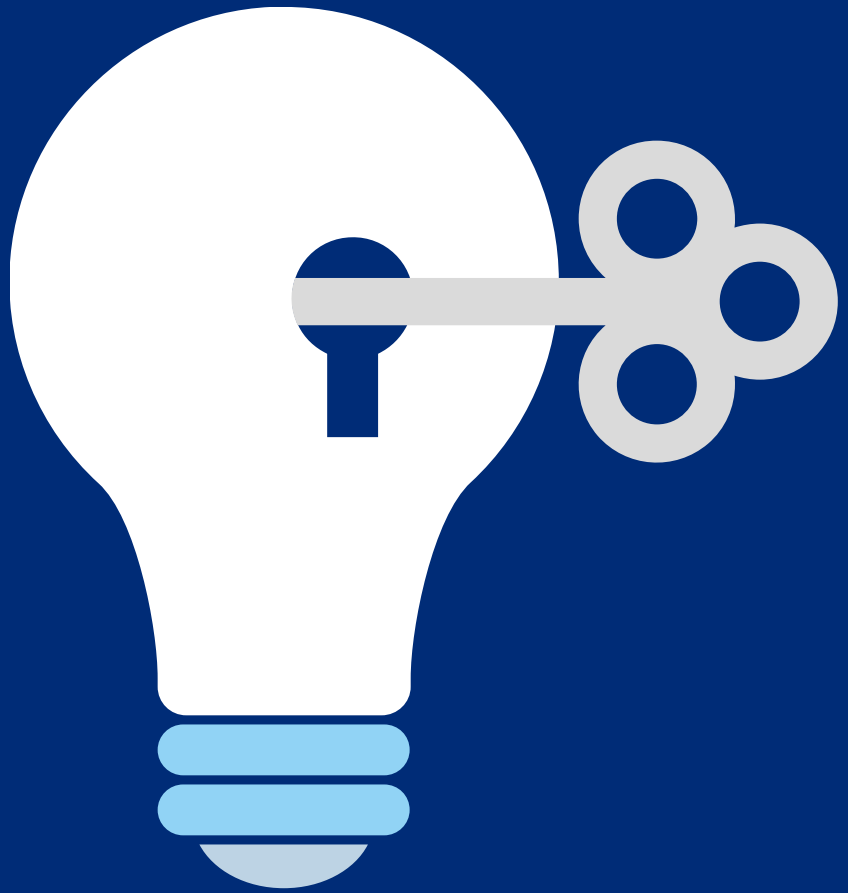
Update the APR DRG Grouper to recent version

Currently using V40

Update the STAC Directed Payments Based on Most Recent Year

If you have questions regarding the DRG Implementation, please submit **by December 1, 2024** using the form located at the link below:

Plan Vital APR-DRG Implementation Questions



ADMINISTRACIÓN DE SEGUROS DE SALUD DE PUERTO RICO
ASES

Acronyms

- ALOS — Average Length of Stay
- APR DRG — All Patient Refined Diagnosis-Related Group
- ASES — Administración de Seguros de Salud de Puerto Rico
- CY — Calendar Year
- DRG — Diagnosis-Related Group
- DVT — Deep Vein Thrombosis
- ECMO — Extracorporeal Membrane Oxygenation
- MCO — Managed Care Organization
- MDC — Major Diagnostic Category
- MS-DRG — Medicare Severity Diagnosis Related Groups
- PE — Pulmonary Embolism
- PRHA — Puerto Rico Hospital Association
- ROM — Risk of Mortality
- SOI — Severity of Illness
- STAC — Short-Term Acute Care

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