

PUBLIC NOTICE
Department of Health Services
Hospital Reimbursement Modification

The State of Wisconsin reimburses providers for services provided to Medical Assistance recipients under the authority of Title XIX of the Social Security Act and ss. 49.43 to 49.47, Wisconsin Statutes. This program, administered by the State's Department of Health Services (the Department), is called Medical Assistance (MA) or Medicaid. In addition, Wisconsin has expanded this program to create the BadgerCare Plus programs under the authority of Title XIX and Title XXI of the Social Security Act and s. 49.471 of the Wisconsin Statutes. Federal statutes and regulations require that a state plan be developed that provides the methods and standards for reimbursement of covered services. A plan that describes the reimbursement system for the services (methods and standards for reimbursement) is in effect.

The following changes will be contained in the January 1, 2020 inpatient hospital state plan amendment.

- Increase Critical Care Supplement (CCS) funding pool amount from \$250,000 GPR plus the federal match to \$2,250,000 GPR plus federal match. The qualification criteria identified in §9311(d) will be changed to be based on percentage of Medicaid charges rather than Medicaid inpatient days.
- Wage area adjustment indices selection and calculation criteria will be changed for border status hospitals and providers that do not participate in the CMS IPPS program.
 - For border status hospitals the wage area adjustment index will change from using the Final Rule IPPS state-wide wage index for the state in which the provider is physically located to using the CMS Final Rule IIPS wage area adjustment to each IPPS border status participating provider. If a border status provider has a wage index reclassification or adjustment, the final adjusted wage index is applied. In cases where a border status provider does not participate in the CMS IPPS program, a weighted average wage index is calculated using the wage indices of providers in the county the provider (not participating in IPPS) is physically located weighted on the total inpatient Medicaid paid amount for these providers from the most recent full rate year at the time of rate setting (For example: Rate setting for RY2020 will use RY2018 Medicaid Paid).
 - For providers that do not participate in the CMS IPPS program the wage area adjustment index will change from using the wage index for the MSA the provider is physically located in to using a weighted average wage index calculated using the wage indices of providers in the county the provider (not participating in IPPS) is physically located weighted on the total inpatient Medicaid paid amount for these providers from the most recent full rate year at the time of rate setting (For example: Rate setting for RY2020 will use RY2018 Medicaid Paid.)
- Cost-to-charge ratios (CCR) for providers that are not published in the CMS Provider Specific File will change from using the state-wide average CCR, adjusting for urban versus rural setting to using a hospital specific CCR calculated using the following formula: estimated Medicaid costs are divided by actual Medicaid charges for the provider's claims. The claim set used to calculate this information will be the same as the rate setting base year data.
- Change ICF-MR reference to ICF-IDD.

The following changes will be contained in the January 1, 2020 outpatient hospital state plan amendment.

- Update the access payment effective date in §4250.

Proposed Change

It is estimated that these changes will increase state fund spending by \$2,000,000 plus federal matching funds due to the increase in the Critical Care Supplement funding pool. Other changes are not expected to have a material impact on projected annual aggregate Medicaid expenditures.

Copies of Changes

Copies of the hospital reimbursement modification may be obtained free of charge by calling or writing:

Mail:
Laura Brauer
Bureau of Benefits Management
Division of Medicaid Services
P.O. Box 309
Madison, WI 53701-0309
(608) 266-5368

Fax:
(608) 266-1096
Attention: Laura Brauer

E-Mail:
DHSDMSSPAPublicFeedback@dhs.wisconsin.gov

Copies of the state plan change will be made available for review at the main office of any county department of social services or human services.

Written Comments

Written comments are welcome. Written comments on the proposed changes may be sent by FAX, e-mail, or regular mail to the Division of Medicaid Services. The FAX number is (608) 266-1096. The e-mail address is DHSDMSSPAPublicFeedback@dhs.wisconsin.gov. Regular mail can be sent to the above address. All written comments will be reviewed and considered.

The written comments will be available for public review between the hours of 7:45 a.m. and 4:30 p.m. daily in Room 350 of the State Office Building, 1 West Wilson Street, Madison, Wisconsin. Revisions may be made in the proposed change based on comments received.