AHCCCS *Preliminary Model Version 4/2/13*

DRG-Based Inpatient Hospital Payment System

Estimated Fiscal Impact Under New APR-DRG v 30 System

Model Components

Design Component	Description
Claims/encounter data	FFY 2010 (10/1/2009 - 9/30/2010) Arizona Medicaid inpatient FFS claims and MCO encounter data from in-state and selected out-of-state hospitals. Excludes closed providers, providers without AHCCCS MCO contracts, IHS/638 provider cases, federally funded FFS cases, freestanding psychiatric, rehabilitation and LTAC provider cases, Medicare dual eligibles, transplant episodes and cases with ungroupable APR-DRG assignments. Also excludes FFY 2010 psychiatric cases from Maricopa Medical Center with transitional days. FFY 2010 non-newborn DRG pediatric cases from St. Joseph Hospital and Medical Center have been labeled as Phoenix Children's Hospital cases to reflect the sale of St. Joseph's pediatric unit.
DRG classification Version	3M APR-DRG version 30.
New system target expenditures	Based on FFY 2010 reported claim and encounter payments (PYMT_AMT and OTH_CVG_PD_AMT fields), with a **0.839325** adjustment factor applied to reflect 5% rate reductions on 10/1/2010 and 10/1/2011 and a 7% reduction based on the estimated aggregate payment reduction from the 25-day limit on inpatient benefits.
DRG base rates	Based on statewide standardized amount of $**4,184.56,** with labor portion adjusted by FFY 2012 Medicare IPPS wage index (with reclassifications). Statewide standardized amount set such that statewide aggregate simulated total claim payments (FFS and MCO combined) are budget neutral to target expenditures.
DRG relative weights	Based on 3M's version 30 APR-DRG national weights, divided by a factor of **0.755190** to achieve an average Arizona case mix index of 1.0000.
DRG base payments	Calculated by multiplying the DRG base rate by the DRG relative weight, the applicable policy adjuster factor and the applicable provider adjustment factor.
Outlier payments	Calculated using following: - Claim outlier threshold equal to base DRG payment plus **$65,000** fixed loss threshold (**$5,000** fixed loss threshold for CAHs/small rural hospitals). - Claim outlier costs calculated by multiplying claim charges by FFY 2010 Medicare outlier CCRs, inflated from FFY 2010 to FFY 2014 by **11.6%** based on changes in CMS input price index levels. - Claim outlier payment calculated based on **90%** of outlier costs exceeding outlier threshold for burn DRGs and **80%** for all other cases.
Transfer payments	Based on the Medicare IPPS pro-rated standard transfer methodology for discharge status of 02, 03, 05, 06, 62, 63, 65, excluding APR-DRGs 580 and 581 (neonates died or transferred). Transfer payment equal to DRG base payment divided by the DRG average length of stay, multiplied by one plus the claim length of stay (up to the full DRG base payment).

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Model Components

Design Component	Description
Supplemental payments	Based on FFY 2012 Arizona Medicaid supplemental payments, excluding DSH and Safety Net Pool payments. Model assumes supplemental payments will continue as-is under new DRG system. Each provider's supplemental payments allocated to their own claims based on the ratio of case charges to the provider's total inpatient Medicaid charges in the model.
Policy adjusters	Policy adjusters applied to DRG base payments to achieve estimated aggregate **statewide average** pay-to-cost ratios (including allocated supplemental payments) separately for: - Normal newborn DRGs (**1.45** factor) identified based on APR-DRGs 626 and 640 - Neonate DRGs (**1.15** factor) identified based on non-normal newborn DRGs in MDC 15 (Newborns and other neonates with condition originating in perinatal period) - Obstetric DRGs (**1.45** factor) identified based on MDC 14 (Pregnancy, childbirth and the puerperium) - Other pediatric cases for age 18 and under (**1.15** factor) Policy adjuster applied to DRG base payments for Psychiatric/Rehabilitation DRGs (**1.50** factor) to achieve estimated **current system spending** under new system.
Provider adjustments	Provider-specific High Medicaid Volume adjustment factors applied to DRG base payments for all services at select providers to keep them held harmless in aggregate under the new system (only if a provider's modeled payments under new system are less than current system payments). High Medicaid Volume provider criteria was FFY 2010 Medicaid days of at least **400%** of the provider the mean Medicaid days (**10,253** days) **and** FYE 2010 MIUR above **40%** (based on patient days). Adjustment factor applied to two high volume providers. Adjustment factor of **0.9%** (not provider-specific) also applied to DRG base payments for all services at non-CAH rural providers to keep them held harmless as a group in aggregate under the new system. Note that providers with outlier claim payments consisting of 40% of total claim payments under the current system were not included in the determination of the non-CAH rural adjustment factor. All provider adjustments applied in addition to the policy adjusters.

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Model Components

Design Component	Description
Payment transition factor	Model assumes provider-specific payment transition factors will be applied to new claim payments (DRG base payments and outlier payments combined) for 3 years after system implementation to limit payment changes. Under the proposed system transition, modeled payment changes are limited as follows: - Year 1: 20% of full estimated payment change - Year 2: 40% of full estimated payment change - Year 3: 60% of full estimated payment change Payment transition factors based on the ratio of estimated payments under transitional limits to estimated payments under full implementation (without payment change limits).
Estimated costs	Based on estimated cost of FFY 2010 cases calculated at a detail line level by applying cost center-specific CCRs to ancillary revenue code charges and cost per diems to routine revenue code days. CCRs and cost per diems calculated from hospital Medicare cost report data extracted from the HCRIS dataset. Estimated costs inflated from FFY 2010 to FFY 2014 by a factor of **11.6%,** based on changes in CMS input price index levels. Estimated costs for FFY 2010 pediatric cases from St. Joseph Hospital and Medical Center labeled as Phoenix Children's Hospital cases still reflect St. Joseph's costs.

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DRG-Based Inpatient Hospital Payment System

Estimated Fiscal Impact Under New APR-DRG v 30 System

Preliminary Modeled Base Rate Summary

New APR-DRG System Preliminary Modeled DRG Base Rate [1]				New APR-DRG System Modeled Case Mix				New APR-DRG System Preliminary Modeled Payments [4] (Before Transition)			DRG System Funding Pool - Based on Current System Claim Payments (*Excludes Supplemental Payments*)		
Modeled Statewide Standardized Amount	FFY 2012 Medicare IPPS Wage Index (Post-Reclassed)	FFY 2012 Medicare IPPS Labor Share	Modeled DRG Base Rate	FFY 2010 Cases	APR-DRG Case Mix Without Adjustments	Transfer Adjusted Cases [2]	APR-DRG Case Mix With Adjustments [3]	Simulated Base DRG Payment	Simulated Outlier Payment	Simulated Total Claim Payments	FFY 2010 Reported Claim Payments	Rate Reduction Factor	Reduced Claim Payments
A	B	C	D: (A*B*C)+ (A*(1-C))	E	F	G	H	I=D*G*H	J	K=I+J	L	M	N=L*M
4,184.56	1.2308	0.688	4,849.03	3,054	1.1554	3,036.1	1.2419	18,283,323	1,879,968	20,163,290	23,970,215	0.839325	20,118,799
4,184.56	1.2244	0.688	4,830.60	3,909	0.7862	3,878.0	0.8667	16,235,328	196,855	16,432,183	19,388,896	0.839325	16,273,584
4,184.56	1.1967	0.688	4,750.85	680	0.9177	671.0	0.9745	3,106,271	-	3,106,271	6,247,891	0.839325	5,244,010
4,184.56	1.1635	0.688	4,655.27	658	2.2010	654.3	2.2852	6,960,823	395,291	7,356,114	14,662,654	0.839325	12,306,732
4,184.56	1.1481	0.688	4,610.94	3,540	0.9669	3,515.1	1.0330	16,743,253	389,367	17,132,620	30,853,599	0.839325	25,896,198
4,184.56	1.1238	0.688	4,540.98	1,433	0.8522	1,427.8	0.9448	6,125,938	163,367	6,289,305	8,631,988	0.839325	7,245,044
4,184.56	1.0328	0.688	4,278.99	137,671	1.0090	136,720.6	1.1159	652,803,686	43,919,528	696,723,214	829,432,511	0.839325	696,163,425
4,184.56	0.9908	0.620	4,160.69	1,051	0.6663	1,045.5	0.7606	3,308,567	-	3,308,567	5,137,192	0.839325	4,311,773
4,184.56	0.9669	0.620	4,098.68	28	1.1523	27.3	1.1943	133,624	-	133,624	242,022	0.839325	203,135
4,184.56	0.9428	0.620	4,036.16	34,971	1.0959	34,655.9	1.2000	167,852,417	13,778,085	181,630,502	200,209,491	0.839325	168,040,819
4,184.56	0.9422	0.620	4,034.60	5,840	0.7514	5,804.4	0.8595	20,127,736	17,196	20,144,932	22,483,232	0.839325	18,870,729
4,184.56	0.9058	0.620	3,940.16	109	1.0709	108.2	1.0797	460,303	113,343	573,646	481,028	0.839325	403,738
4,184.56	0.8879	0.620	3,893.72	33	0.5759	33.0	0.6608	84,907	-	84,907	73,806	0.839325	61,947
4,184.56	0.8770	0.620	3,865.45	6,774	0.5819	6,726.5	0.6802	17,686,132	543,647	18,229,779	19,263,636	0.839325	16,168,448
		Inpatient Total		**199,751**	**1.0000**	**198,303.8**	**1.1041**	**929,912,308**	**61,396,646**	**991,308,954**	**1,181,078,159**		**991,308,382**
										Estimated Total Payment Change			**572**

Notes:

1. Preliminary Modeled DRG Base Rate currently does not reflect potential changes for coding and documentation improvement strategy.
2. Simulated payments are prorated for transfer-out cases with a length of stay plus 1 day less than the APR-DRG average length stay.
3. Case mix adjusted for service policy adjusters, provider adjustments and transfer adjustments.
4. Based on simulated payments under new APR-DRG system in the fiscal impact model using FFY 2010 claim and encounter data. Actual new system payments are expected to be different from simulated payments due to potential model changes and future changes in patient volume and case mix.

AHCCCS

DRG-Based Inpatient Hospital Payment System

Estimated Fiscal Impact Under New APR-DRG v 30 System

Model Policy Adjuster Summary

Preliminary Model Version 4/2/13

Simulated Payments Without Transition

Sorted by Model Policy Adjuster

						Payments Under Current System				Simulated Payments Under New System - Without Transition							
Model Policy Adjuster (Based on APR-DRG Assignment and Age)	FFY 2010 Cases	FFY 2010 Days	Average Length of Stay	APR-DRG Case Mix Index	FFY 2014 Estimated Inflated Costs	Current System Claim Payments (With Reductions)	Current Allocated Supplemental Payments	Total Current System Payments	Estimated Payment-to-Cost Ratio	Policy Adjuster	Simulated Base DRG Payments	Simulated Outlier Payments	Simulated Total Claim Payments	Total New System Payments	Estimated Payment-to-Cost Ratio	Estimated Payment Change	Estimated Payment Change Percentage
	A	B	C=B/A	D	E	F	G	H=F+G	I=H/E		J	K	L=J+K	M=G+L	N=M/E	O=M-H	P=O/H
Neonate	4,472	70,505	15.8	3.1941	137,324,929	79,308,588	19,251,197	98,559,785	71.8%	1.15	70,212,715	17,532,073	87,744,788	106,995,985	77.9%	8,436,200	8.6%
Normal newborn	43,825	91,151	2.1	0.1659	63,747,142	46,929,431	4,737,067	51,666,498	81.0%	1.45	45,292,200	432,838	45,725,039	50,462,106	79.2%	(1,204,392)	-2.3%
Obstetrics	39,763	100,159	2.5	0.5554	199,603,924	121,446,317	16,216,457	137,662,774	69.0%	1.45	136,917,928	593,155	137,511,083	153,727,541	77.0%	16,064,767	11.7%
Psychiatric/Rehabilitation	4,334	32,032	7.4	0.7997	36,215,528	20,509,046	3,848,759	24,357,805	67.3%	1.50	20,900,877	82,462	20,983,340	24,832,099	68.6%	474,294	1.9%
Other pediatric services	27,707	102,091	3.7	1.1233	259,348,439	149,831,389	31,982,780	181,814,170	70.1%	1.15	150,406,418	20,431,807	170,838,225	202,821,005	78.2%	21,006,836	11.6%
Other adult services	79,650	332,154	4.2	1.5257	853,746,738	573,283,611	125,544,660	698,828,271	81.9%	1.00	506,182,169	22,324,310	528,506,479	654,051,139	76.6%	(44,777,132)	-6.4%
Inpatient Total	**199,751**	**728,092**	**3.6**	**1.0000**	**1,549,986,701**	**991,308,382**	**201,580,920**	**1,192,889,302**	**77.0%**		**929,912,308**	**61,396,646**	**991,308,954**	**1,192,889,874**	**77.0%**	**572**	**0.0%**

AHCCCS
DRG-Based Inpatient Hospital Payment System
Estimated Fiscal Impact Under New APR-DRG v 30 System
Provider Type Summary

Preliminary Model Version 4/2/13
Simulated Payments Without Transition

Grouped by Provider Type

							Payments Under Current System				Simulated Payments Under New System - Without Transition						
Provider Type - Types Not Mutually Exclusive	**Number of Providers**	**FFY 2010 Cases**	**FFY 2010 Days**	**Average Length of Stay**	**APR-DRG Case Mix Index**	**FFY 2014 Estimated Inflated Costs**	**Current System Claim Payments (With Reductions)**	**Current Allocated Supplemental Payments**	**Total Current System Payments**	**Estimated Payment-to-Cost Ratio**	**Simulated Base DRG Payments**	**Simulated Outlier Payments**	**Simulated Total Claim Payments**	**Total New System Payments**	**Estimated Payment-to-Cost Ratio**	**Estimated Payment Change**	**Estimated Payment Change Percentage**
	A	**B**	**C**	**D=C/B**	**E**	**F**	**G**	**H**	**I=G+H**	**J=I/F**	**K**	**L**	**M=K+L**	**N=H+M**	**O=N/F**	**P=N-I**	**Q=P/I**
High Medicaid Utilization Hospitals [1]	4	38,943	187,665	4.8	1.3391	468,948,020	279,943,244	131,713,490	411,656,734	87.8%	248,347,833	44,129,763	292,477,595	424,191,085	90.5%	12,534,351	3.0%
Urban Hospitals (excluding High Medicaid Utilization hospitals)	32	126,676	439,243	3.5	0.9388	853,436,212	555,799,358	47,616,154	603,415,512	70.7%	544,196,860	13,193,297	557,390,158	605,006,312	70.9%	1,590,799	0.3%
Non-CAH Rural Hospitals (excluding high outlier hospitals) [2]	14	29,108	85,269	2.9	0.8211	193,279,057	117,784,046	15,425,268	133,209,315	68.9%	114,858,596	3,005,675	117,864,271	133,289,539	69.0%	80,224	0.1%
CAH/Small Rural Hospitals (less than 25 beds)	11	2,392	4,987	2.1	0.5759	11,323,929	4,993,346	4,915,741	9,909,087	87.5%	6,044,679	632,029	6,676,709	11,592,450	102.4%	1,683,363	17.0%
Out-of-State Hospitals	6	719	4,854	6.8	2.0856	10,018,949	12,571,814	-	12,571,814	125.5%	7,179,354	395,291	7,574,645	7,574,645	75.6%	(4,997,169)	-39.7%
Children's Hospitals	2	10,969	62,041	5.7	1.4222	172,813,742	94,607,085	8,756,806	103,363,891	59.8%	76,307,638	21,568,896	97,876,535	106,633,341	61.7%	3,269,450	3.2%
Trauma Hospitals (Receiving Trauma Supplementals)	8	61,949	277,388	4.5	1.2621	673,378,165	406,513,822	167,330,144	573,843,966	85.2%	366,707,519	50,050,340	416,757,859	584,088,003	86.7%	10,244,037	1.8%
Teaching Hospitals (Receiving GME Supplementals)	10	72,704	317,185	4.4	1.1872	721,356,395	437,587,942	175,401,488	612,989,430	85.0%	403,422,011	50,121,175	453,543,186	628,944,674	87.2%	15,955,244	2.6%
Other General Acute Hospitals Not Listed Above	31	91,098	303,633	3.3	0.9067	585,622,231	394,795,685	2,591,143	397,386,828	67.9%	381,707,877	7,161,678	388,869,555	391,460,698	66.8%	(5,926,130)	-1.5%
Inpatient Total (Not Sum of Above Provider Types)	**69**	**199,751**	**728,092**	**3.6**	**1.0000**	**1,549,986,701**	**991,308,382**	**201,580,920**	**1,192,889,302**	**77.0%**	**929,912,308**	**61,396,646**	**991,308,954**	**1,192,889,874**	**77.0%**	**572**	**0.0%**

Notes:
1. High Medicaid Volume providers had FFY 2010 Medicaid days of at least 400% of the provider mean Medicaid days (10,253 days) and FYE 2010 MIUR above 40% (based on patient days).
2. Excludes 2 providers with outlier claim payments consisting of 40% of total claim payments under the current system.

AHCCCS
DRG-Based Inpatient Hospital Payment System
Estimated Fiscal Impact Under New APR-DRG v 30 System
Provider Type Summary

Preliminary Model Version 4/2/13
Simulated Payments With Year 1 Transition (20% Limit)

Grouped by Provider Type

							Payments Under Current System				Simulated Payments Under New System - With Year 1 Transition (20% Limit)						
Provider Type - Types Not Mutually Exclusive	Number of Providers	FFY 2010 Cases	FFY 2010 Days	Average Length of Stay	APR-DRG Case Mix Index	FFY 2014 Estimated Inflated Costs	Current System Claim Payments (With Reductions)	Current Allocated Supplemental Payments	Total Current System Payments	Estimated Payment-to-Cost Ratio	Simulated Base DRG Payments	Simulated Outlier Payments	Simulated Total Claim Payments	Total New System Payments	Estimated Payment-to-Cost Ratio	Estimated Payment Change	Estimated Payment Change Percentage
	A	B	C	D=C/B	E	F	G	H	I=G+H	J=I/F	K	L	M=K+L	N=H+M	O=N/F	P=N-I	Q=P/I
High Medicaid Utilization Hospitals [1]	4	38,943	187,665	4.8	1.3391	468,948,020	279,943,244	131,713,490	411,656,734	87.8%	240,178,080	42,272,047	282,450,128	414,163,618	88.3%	2,506,884	0.6%
Urban Hospitals (excluding High Medicaid Utilization hospitals)	32	126,676	439,243	3.5	0.9388	853,436,212	555,799,358	47,616,154	603,415,512	70.7%	543,051,647	13,065,856	556,117,503	603,733,657	70.7%	318,145	0.1%
Non-CAH Rural Hospitals (excluding high outlier hospitals) [2]	14	29,108	85,269	2.9	0.8211	193,279,057	117,784,046	15,425,268	133,209,315	68.9%	114,730,563	3,069,537	117,800,100	133,225,368	68.9%	16,054	0.0%
CAH/Small Rural Hospitals (less than 25 beds)	11	2,392	4,987	2.1	0.5759	11,323,929	4,993,346	4,915,741	9,909,087	87.5%	4,842,323	487,698	5,330,021	10,245,762	90.5%	336,675	3.4%
Out-of-State Hospitals	6	719	4,854	6.8	2.0856	10,018,949	12,571,814	-	12,571,814	125.5%	10,962,573	609,804	11,572,377	11,572,377	115.5%	(999,437)	-7.9%
Children's Hospitals	2	10,969	62,041	5.7	1.4222	172,813,742	94,607,085	8,756,806	103,363,891	59.8%	74,300,511	20,960,459	95,260,970	104,017,776	60.2%	653,886	0.6%
Trauma Hospitals (Receiving Trauma Supplementals)	8	61,949	277,388	4.5	1.2621	673,378,165	406,513,822	167,330,144	573,843,966	85.2%	360,312,573	48,250,077	408,562,650	575,892,794	85.5%	2,048,828	0.4%
Teaching Hospitals (Receiving GME Supplementals)	10	72,704	317,185	4.4	1.1872	721,356,395	437,587,942	175,401,488	612,989,430	85.0%	392,600,321	48,178,654	440,778,975	616,180,462	85.4%	3,191,033	0.5%
Other General Acute Hospitals Not Listed Above	31	91,098	303,633	3.3	0.9067	585,622,231	394,795,685	2,591,143	397,386,828	67.9%	386,304,297	7,306,164	393,610,461	396,201,604	67.7%	(1,185,224)	-0.3%
Inpatient Total (Not Sum of Above Provider Types)	**69**	**199,751**	**728,092**	**3.6**	**1.0000**	**1,549,986,701**	**991,308,382**	**201,580,920**	**1,192,889,302**	**77.0%**	**931,717,267**	**59,591,238**	**991,308,505**	**1,192,889,425**	**77.0%**	**123**	**0.0%**

Notes:
1. High Medicaid Volume providers had FFY 2010 Medicaid days of at least 400% of the provider mean Medicaid days (10,253 days) and FYE 2010 MIUR above 40% (based on patient days).
2. Excludes 2 providers with outlier claim payments consisting of 40% of total claim payments under the current system.

AHCCCS
DRG-Based Inpatient Hospital Payment System
Estimated Fiscal Impact Under New APR-DRG v 30 System
Provider Ranges Summary - By Provider Size

Preliminary Model Version 4/2/13
Simulated Payments Without Transition

Sorted by Provider Range

							Payments Under Current System				Simulated Payments Under New System - Without Transition						
Provider Range	**Number of Providers**	**FFY 2010 Cases**	**FFY 2010 Days**	**Average Length of Stay**	**APR-DRG Case Mix Index**	**FFY 2014 Estimated Inflated Costs**	**Current System Claim Payments (With Reductions)**	**Current Allocated Supplemental Payments**	**Total Current System Payments**	**Estimated Payment-to-Cost Ratio**	**Simulated Base DRG Payments**	**Simulated Outlier Payments**	**Simulated Total Claim Payments**	**Total New System Payments**	**Estimated Payment-to-Cost Ratio**	**Estimated Payment Change**	**Estimated Payment Change Percentage**
	A	**B**	**C**	**D=C/B**	**E**	**F**	**G**	**H**	**I=G+H**	**J=I/F**	**K**	**L**	**M=K+L**	**N=H+M**	**O=N/F**	**P=N-I**	**Q=P/I**
FYE 2010 Medicaid Utilization Percentage (based on days)																	
60%+	2	4,228	13,784	3.3	0.7761	21,177,579	14,841,749	63,765	14,905,514	70.4%	15,056,008	141,988	15,197,996	15,261,761	72.1%	356,247	2.4%
40%-60%	9	48,177	214,675	4.5	1.2282	515,333,023	309,487,107	138,626,738	448,113,845	87.0%	280,918,998	44,784,200	325,703,198	464,329,936	90.1%	16,216,091	3.6%
20%-40%	33	128,551	439,334	3.4	0.9220	878,686,493	569,962,515	56,783,834	626,746,350	71.3%	548,007,106	15,097,377	563,104,483	619,888,318	70.5%	(6,858,032)	-1.1%
0%-20%	25	18,795	60,299	3.2	0.9989	134,789,606	97,017,011	6,106,583	103,123,594	76.5%	85,930,195	1,373,082	87,303,277	93,409,860	69.3%	(9,713,734)	-9.4%
Inpatient Total	**69**	**199,751**	**728,092**	**3.6**	**1.0000**	**1,549,986,701**	**991,308,382**	**201,580,920**	**1,192,889,302**	**77.0%**	**929,912,308**	**61,396,646**	**991,308,954**	**1,192,889,874**	**77.0%**	**572**	**0.0%**
Number of FFY 2010 Inpatient Cases Range																	
10,000 + Cases	6	68,630	288,014	4.2	1.1019	621,864,745	382,583,078	71,390,987	453,974,065	73.0%	361,869,208	32,110,958	393,980,166	465,371,153	74.8%	11,397,089	2.5%
5,000-10,000 Cases	6	41,015	145,501	3.5	0.9547	303,017,267	190,670,738	93,390,003	284,060,741	93.7%	180,632,189	20,659,359	201,291,548	294,681,551	97.2%	10,620,810	3.7%
1,000-5,000 Cases	30	83,407	272,083	3.3	0.9285	570,724,635	377,973,256	28,134,946	406,108,202	71.2%	353,635,544	7,245,683	360,881,226	389,016,172	68.2%	(17,092,030)	-4.2%
500-1,000 Cases	5	3,645	12,094	3.3	1.0867	29,424,641	26,114,095	4,482,426	30,596,521	104.0%	18,994,992	623,227	19,618,219	24,100,646	81.9%	(6,495,875)	-21.2%
Under 500 Cases	22	3,054	10,400	3.4	1.1677	24,955,414	13,967,217	4,182,558	18,149,774	72.7%	14,780,375	757,420	15,537,794	19,720,352	79.0%	1,570,578	8.7%
Inpatient Total	**69**	**199,751**	**728,092**	**3.6**	**1.0000**	**1,549,986,701**	**991,308,382**	**201,580,920**	**1,192,889,302**	**77.0%**	**929,912,308**	**61,396,646**	**991,308,954**	**1,192,889,874**	**77.0%**	**572**	**0.0%**
Number of FFY 2010 Inpatient Days Range																	
50,000 + Days	2	22,536	113,753	5.0	1.3856	288,104,316	175,248,441	39,337,481	214,585,922	74.5%	154,852,179	23,938,888	178,791,067	218,128,548	75.7%	3,542,626	1.7%
25,000-50,000 Days	6	62,501	248,173	4.0	1.0452	514,604,133	312,029,439	124,429,515	436,458,954	84.8%	300,512,683	28,362,944	328,875,627	453,305,142	88.1%	16,846,188	3.9%
10,000-25,000 Days	16	71,607	230,281	3.2	0.8827	451,245,003	296,514,385	12,692,621	309,207,006	68.5%	290,620,336	5,642,527	296,262,863	308,955,484	68.5%	(251,522)	-0.1%
5,000-10,000 Days	10	25,169	84,339	3.4	0.9582	175,176,777	115,702,943	7,812,216	123,515,159	70.5%	109,476,275	1,660,703	111,136,978	118,949,194	67.9%	(4,565,965)	-3.7%
1,000-5,000 Days	16	15,771	45,982	2.9	0.8707	105,379,217	83,936,701	13,205,848	97,142,549	92.2%	65,444,238	1,240,337	66,684,575	79,890,423	75.8%	(17,252,126)	-17.8%
Under 1,000 Days	19	2,167	5,564	2.6	0.9913	15,477,255	7,876,473	4,103,239	11,979,712	77.4%	9,006,597	551,247	9,557,844	13,661,083	88.3%	1,681,371	14.0%
Inpatient Total	**69**	**199,751**	**728,092**	**3.6**	**1.0000**	**1,549,986,701**	**991,308,382**	**201,580,920**	**1,192,889,302**	**77.0%**	**929,912,308**	**61,396,646**	**991,308,954**	**1,192,889,874**	**77.0%**	**572**	**0.0%**

AHCCCS

DRG-Based Inpatient Hospital Payment System

Estimated Fiscal Impact Under New APR-DRG v 30 System

Provider Ranges Summary - By Provider Size

Preliminary Model Version 4/2/13

Simulated Payments With Year 1 Transition (20% Limit)

Sorted by Provider Range

							Payments Under Current System				Simulated Payments Under New System - With Year 1 Transition (20% Limit)						
Provider Range	Number of Providers	FFY 2010 Cases	FFY 2010 Days	Average Length of Stay	APR-DRG Case Mix Index	FFY 2014 Estimated Inflated Costs	Current System Claim Payments (With Reductions)	Current Allocated Supplemental Payments	Total Current System Payments	Estimated Payment-to-Cost Ratio	Simulated Base DRG Payments	Simulated Outlier Payments	Simulated Total Claim Payments	Total New System Payments	Estimated Payment-to-Cost Ratio	Estimated Payment Change	Estimated Payment Change Percentage
	A	B	C	D=C/B	E	F	G	H	I=G+H	J=I/F	K	L	M=K+L	N=H+M	O=N/F	P=N-I	Q=P/I
FYE 2010 Medicaid Utilization Percentage (based on days)																	
60%+	2	4,228	13,784	3.3	0.7761	21,177,579	14,841,749	63,765	14,905,514	70.4%	14,759,541	153,467	14,913,008	14,976,772	70.7%	71,258	0.5%
40%-60%	9	48,177	214,675	4.5	1.2282	515,333,023	309,487,107	138,626,738	448,113,845	87.0%	269,915,307	42,815,030	312,730,337	451,357,075	87.6%	3,243,230	0.7%
20%-40%	33	128,551	439,334	3.4	0.9220	878,686,493	569,962,515	56,783,834	626,746,350	71.3%	553,393,519	15,197,367	568,590,886	625,374,720	71.2%	(1,371,629)	-0.2%
0%-20%	25	18,795	60,299	3.2	0.9989	134,789,606	97,017,011	6,106,583	103,123,594	76.5%	93,648,900	1,425,374	95,074,274	101,180,857	75.1%	(1,942,737)	-1.9%
Inpatient Total	**69**	**199,751**	**728,092**	**3.6**	**1.0000**	**1,549,986,701**	**991,308,382**	**201,580,920**	**1,192,889,302**	**77.0%**	**931,717,267**	**59,591,238**	**991,308,505**	**1,192,889,425**	**77.0%**	**123**	**0.0%**
Number of FFY 2010 Inpatient Cases Range																	
10,000 + Cases	6	68,630	288,014	4.2	1.1019	621,864,745	382,583,078	71,390,987	453,974,065	73.0%	353,685,512	31,177,009	384,862,521	456,253,508	73.4%	2,279,443	0.5%
5,000-10,000 Cases	6	41,015	145,501	3.5	0.9547	303,017,267	190,670,738	93,390,003	284,060,741	93.7%	173,365,739	19,429,135	192,794,874	286,184,877	94.4%	2,124,137	0.7%
1,000-5,000 Cases	30	83,407	272,083	3.3	0.9285	570,724,635	377,973,256	28,134,946	406,108,202	71.2%	367,045,971	7,508,885	374,554,856	402,689,802	70.6%	(3,418,400)	-0.8%
500-1,000 Cases	5	3,645	12,094	3.3	1.0867	29,424,641	26,114,095	4,482,426	30,596,521	104.0%	23,981,840	833,080	24,814,920	29,297,346	99.6%	(1,299,175)	-4.2%
Under 500 Cases	22	3,054	10,400	3.4	1.1677	24,955,414	13,967,217	4,182,558	18,149,774	72.7%	13,638,206	643,128	14,281,334	18,463,892	74.0%	314,118	1.7%
Inpatient Total	**69**	**199,751**	**728,092**	**3.6**	**1.0000**	**1,549,986,701**	**991,308,382**	**201,580,920**	**1,192,889,302**	**77.0%**	**931,717,267**	**59,591,238**	**991,308,505**	**1,192,889,425**	**77.0%**	**123**	**0.0%**
Number of FFY 2010 Inpatient Days Range																	
50,000 + Days	2	22,536	113,753	5.0	1.3856	288,104,316	175,248,441	39,337,481	214,585,922	74.5%	152,640,326	23,316,671	175,956,998	215,294,479	74.7%	708,556	0.3%
25,000-50,000 Days	6	62,501	248,173	4.0	1.0452	514,604,133	312,029,439	124,429,515	436,458,954	84.8%	288,582,939	26,815,714	315,398,654	439,828,168	85.5%	3,369,215	0.8%
10,000-25,000 Days	16	71,607	230,281	3.2	0.8827	451,245,003	296,514,385	12,692,621	309,207,006	68.5%	290,667,397	5,796,676	296,464,072	309,156,693	68.5%	(50,313)	0.0%
5,000-10,000 Days	10	25,169	84,339	3.4	0.9582	175,176,777	115,702,943	7,812,216	123,515,159	70.5%	113,120,496	1,669,260	114,789,756	122,601,972	70.0%	(913,187)	-0.7%
1,000-5,000 Days	16	15,771	45,982	2.9	0.8707	105,379,217	83,936,701	13,205,848	97,142,549	92.2%	78,921,212	1,565,064	80,486,276	93,692,124	88.9%	(3,450,424)	-3.6%
Under 1,000 Days	19	2,167	5,564	2.6	0.9913	15,477,255	7,876,473	4,103,239	11,979,712	77.4%	7,784,897	427,852	8,212,749	12,315,988	79.6%	336,276	2.8%
Inpatient Total	**69**	**199,751**	**728,092**	**3.6**	**1.0000**	**1,549,986,701**	**991,308,382**	**201,580,920**	**1,192,889,302**	**77.0%**	**931,717,267**	**59,591,238**	**991,308,505**	**1,192,889,425**	**77.0%**	**123**	**0.0%**