



Department of Medicaid

John R. Kasich, Governor

John B. McCarthy, Director

Hospital Handbook Transmittal Letter (HHTL) No. 3352-16-08

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**TO: All Hospital Providers
Directors, County Departments of Job and Family Services**

FROM: John B. McCarthy, Director

SUBJECT: Inpatient Hospital Services: DRG Updates

Summary

This Hospital Handbook Transmittal Letter (HHTL) provides information pertaining to updates to All Patient Refined – Diagnosis Related Groups (APR-DRG) version 34, used for inpatient hospital reimbursement effective October 1, 2016.

DRG and Relative Weight Updates

Effective October 1, 2016, 3M deleted three Diagnosis Related Groups (DRG) and added seven new DRGs to its APR-DRG grouper system that Ohio Medicaid uses to reimburse inpatient hospital claims for hospitals subject to prospective payment. The new DRGs are the result of reassigning procedure and diagnosis codes from the deleted DRGs and one existing DRG to increase specificity and to incorporate ICD-10 code updates. 3M split the three deleted DRGs each into two new DRGs and moved some procedures and diagnoses out of existing DRG 315, which required Ohio Medicaid to also recalculate the weight for DRG 315. The relative weights for the new and recalculated DRGs were determined using a combination of national weights and Ohio-specific relative weights.

The average length of stay (ALOS) for the new DRGs was calculated using the same formula used to calculate the relative weights.

A list of new and deleted DRGs with the corresponding relative weights and ALOS is attached. The relative weights and ALOS for all other DRGs remain unchanged and the full list is located on the ODM website.

Access to Rules and Related Material

The main web page of the ODM includes links to valuable information about its services and programs; the address is <http://medicaid.ohio.gov/>.

To access ODM Fee Schedule and Rates, go to medicaid.ohio.gov > Providers > Fee Schedule and Rates > Click “I Agree”:

- For the Inpatient Hospital Relative Weights, select “Inpatient Hospital” then “DRG Relative Weights.”
- For the Outpatient Hospital appendices and 2016 HCPCS Update Payment Table, select “Outpatient Hospital Services.”
- For the Provider-Administered Pharmaceuticals fee schedule, select “Provider-Administered Pharmaceuticals.”
- For Appendix DD, select “Medicaid Non-Institutional Maximum Payment Schedule.”
- For the Laboratory Services fee schedule, select “Laboratory Services.”

Additional Information

Questions pertaining to this letter should be addressed to:

hospital_policy@medicaid.ohio.gov

or

Ohio Department of Medicaid
Bureau of Health Plan Policy
Hospital Services
P.O. Box 182709
Columbus, OH 43218-2709
Telephone (800) 686-1516

**Newly Added DRGs, Relative Weights and ALOS
Effective with Grouper v34.0 October 1, 2016**

<u>DRG</u>	<u>SOI</u>	<u>Ohio Weight</u>	<u>ALOS</u>	<u>DRG</u>	<u>SOI</u>	<u>Ohio Weight</u>	<u>ALOS</u>
181	1	1.3041	4.3790	469	1	0.4837	3.4573
181	2	1.8139	6.1954	469	2	0.6668	4.5436
181	3	2.9934	9.8106	469	3	1.0928	7.0562
181	4	5.6594	19.3763	469	4	2.1671	11.5034
182	1	1.6703	3.6078	470	1	0.5141	2.9156
182	2	2.0176	5.0982	470	2	0.6752	3.7245
182	3	2.7221	8.1620	470	3	1.0061	5.5469
182	4	5.1637	16.6494	470	4	1.8853	9.1997
315*	1	0.9351	2.8374	695	1	0.8397	6.6623
315	2	1.8211	4.0770	695	2	1.3252	6.6623
315	3	2.5937	7.7626	695	3	3.6286	14.1916
315	4	3.8208	12.6710	695	4	9.6635	28.0288
322	1	1.5392	2.7771	696	1	1.1057	4.1356
322	2	1.9316	3.5887	696	2	1.4234	4.9744
322	3	2.7019	6.3035	696	3	2.3454	6.7742
322	4	3.2992	10.4755	696	4	5.3434	13.9670

*New relative weights were calculated for DRG 315 due to the addition of DRG 322
Note: 3M Deleted three DRGs: 173, 460 and 693