

# STATE OF CONNECTICUT HOSPITAL PAYMENT MODERNIZATION

## TRANSITION TO OUTPATIENT HOSPITAL AMBULATORY PAYMENT CLASSIFICATION

February 25, 2016

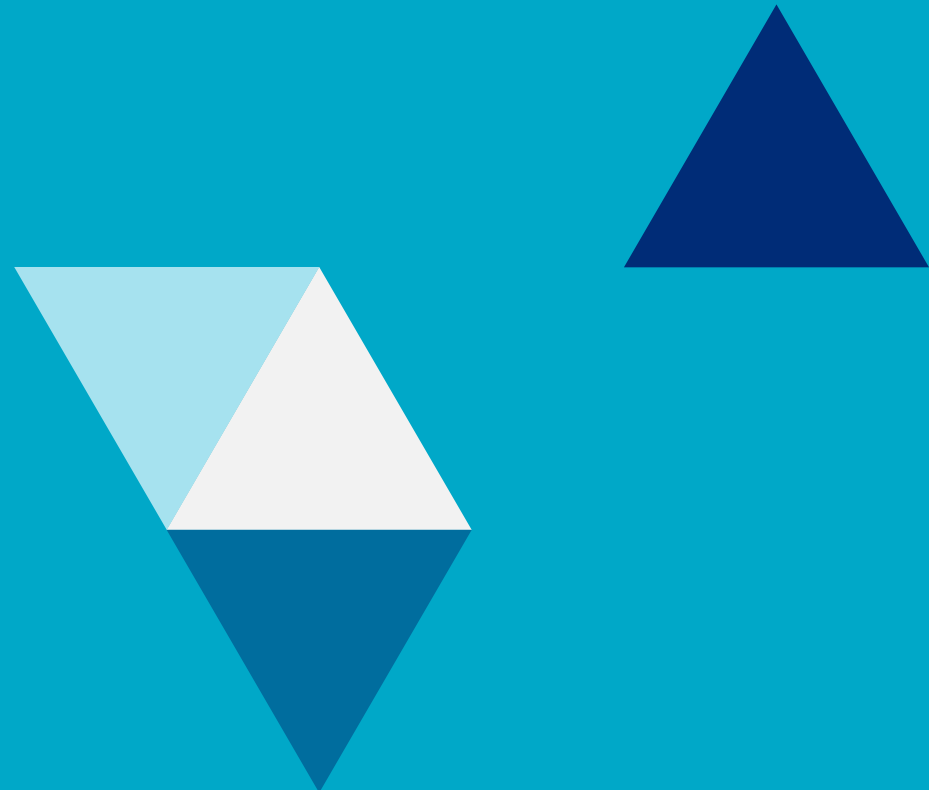
**Janet Flynn, Mercer**  
**James Matthisen, Mercer**  
**Sarah Yahna, Mercer**  
**Amy Perry, Myers and Stauffer**  
**Scott Simerly, Myers and Stauffer**



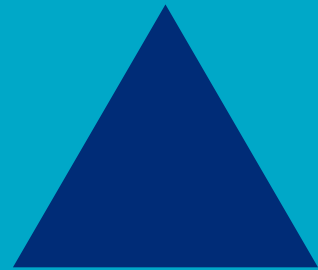
# AGENDA

- Welcome and Introduction.
- Project Overview.
- Data Modeling.
- Conversion Factor and Fiscal Impact.
- Next Steps.

# INTRODUCTION



# PROJECT OVERVIEW



# PROJECT OVERVIEW

## CONTEXT REVIEW

- Hospital Payment Modernization.
- Phase II Focus — Outpatient.
- Guiding Principle — Follow Medicare with Limited Exceptions.
- Method Redesign — Not Budget Exercise.

# PROJECT OVERVIEW

## PROJECT PLAN OVERVIEW

Task	Completion
<b>Claims Data Acquisition</b>	Q2 2015
<b>Payment Design and Policies</b>	
Identify Policy Exclusions	Q4 2015
Identify Exceptions to Medicare Policies	Q4 2015
Document Payment Approaches	Q4 2015
<b>Data Modeling</b>	
Claims Analysis	Q3 2015
Modeling and Fiscal Impact	Q1 2016
<b>Peer Review</b>	Q1 2016
<b>Target Development</b>	Q1 2016

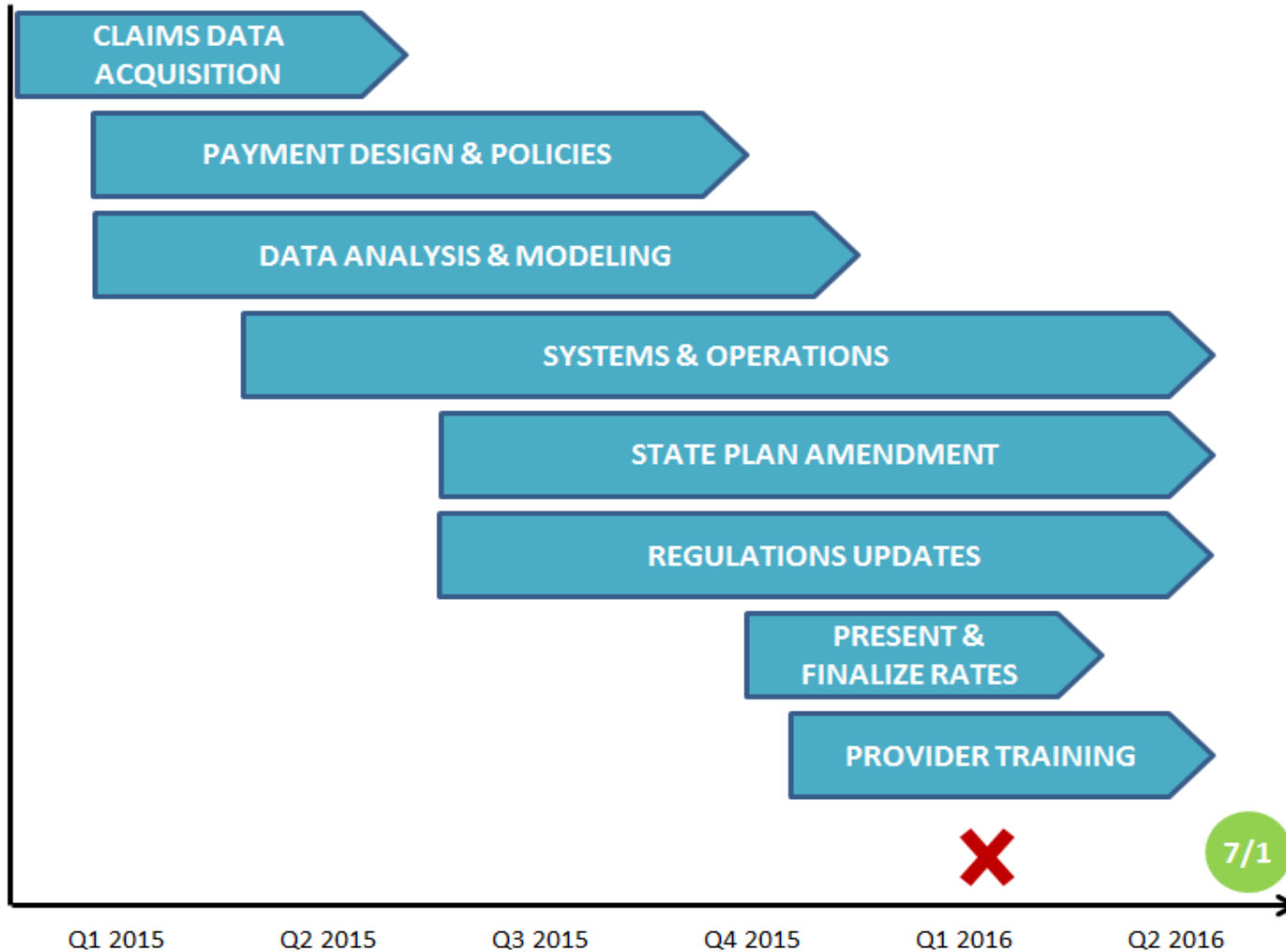
# PROJECT OVERVIEW

## PROJECT PLAN OVERVIEW (CONT'D)

Task	Completion
<b>Regulations and State Plan Amendment</b>	Q2+ 2016
<b>Communication Plan</b>	
Hospital Meeting #1 (web conference)	4/9/2015
Hospital Meeting #2 (onsite at DSS)	7/9/2015
Hospital Meeting #3 (web conference)	11/19/2015
Hospital Meeting #4 (web conference)	2/25/2016
Additional Hospital Meetings	TBD
<b>Systems and Operations</b>	
Document APC Business Requirements	Q2+ 2016
Support Medicaid Management Information System (MMIS) Implementation	Q2+ 2016

# PROJECT OVERVIEW

## TIMELINE REVIEW





# PROJECT OVERVIEW

## LAST MEETING “NEXT STEPS”

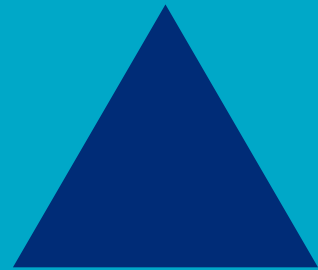


- Finalize Fiscal Impact Modeling.
- Obtain Stakeholder Feedback.



- Determine Initial Conversion Factor.
- Systems/Training/Implementation.

# DATA MODELING



# DATA MODELING

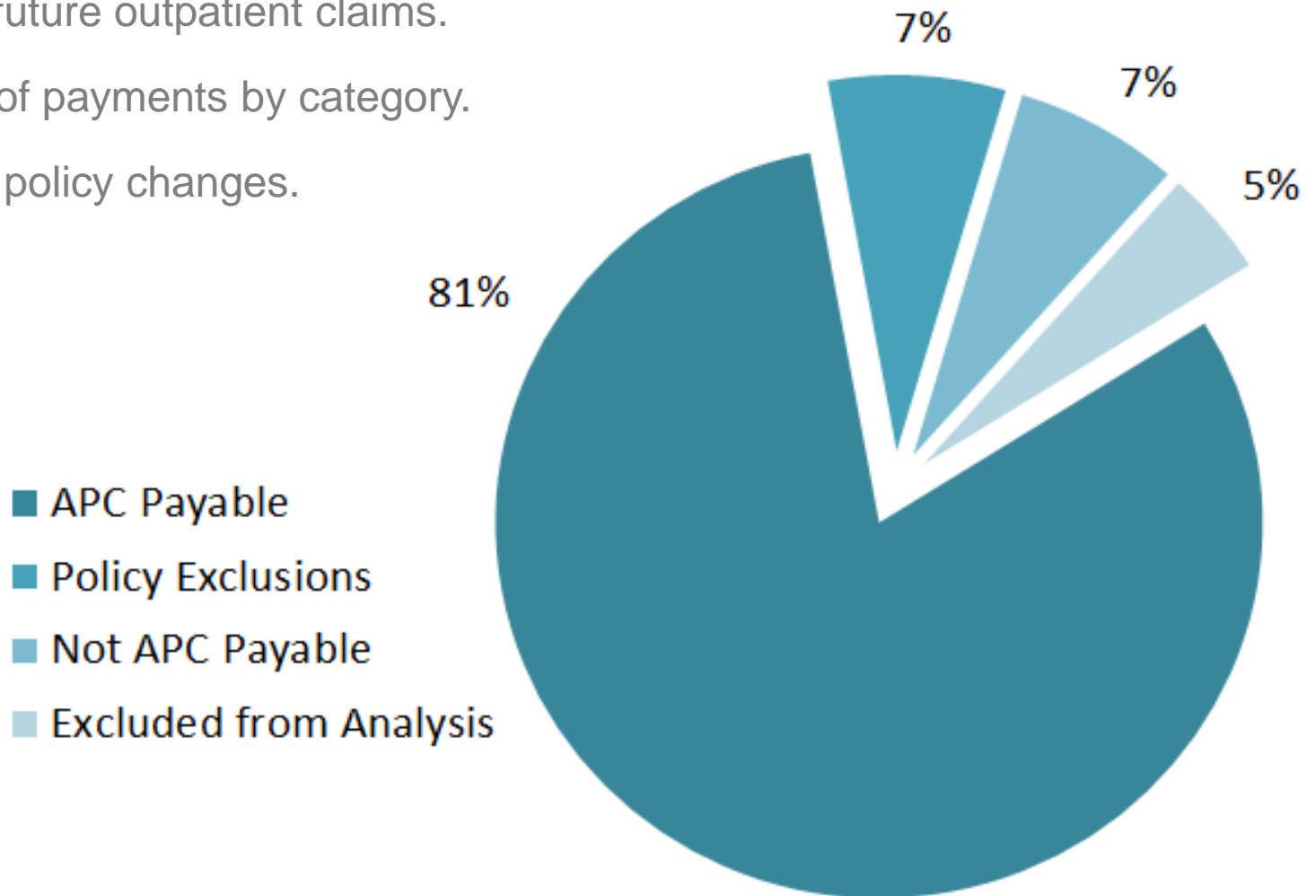
## DATA OVERVIEW

- Outpatient Claims.
- Dates of Services from May 1, 2014 through December 31, 2014.
- Paid through April 10, 2015.
- After February 2015 Mass Adjustments Applied.

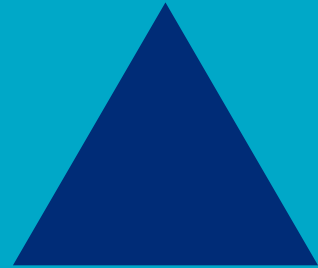
Outpatient Claims Data	
Claim Details	5.56 million
Payments	\$440 million

# DATA MODELING ANALYTICAL DATA SET

- Universe of future outpatient claims.
- Percentage of payments by category.
- Adjusted for policy changes.



# CONVERSION FACTOR AND FISCAL IMPACT



# STATEWIDE CONVERSION FACTOR

- Conversion Factor\*
  - \$73.60
- Previous Estimate\*
  - \$71.75
- Differences
  - Minor data enhancements.
  - Based on “original” wage indices.
  - State of Connecticut and Connecticut Children’s not included in calculation.

\* *Conversion factors shown before wage index adjustment applied.*

# FISCAL IMPACT

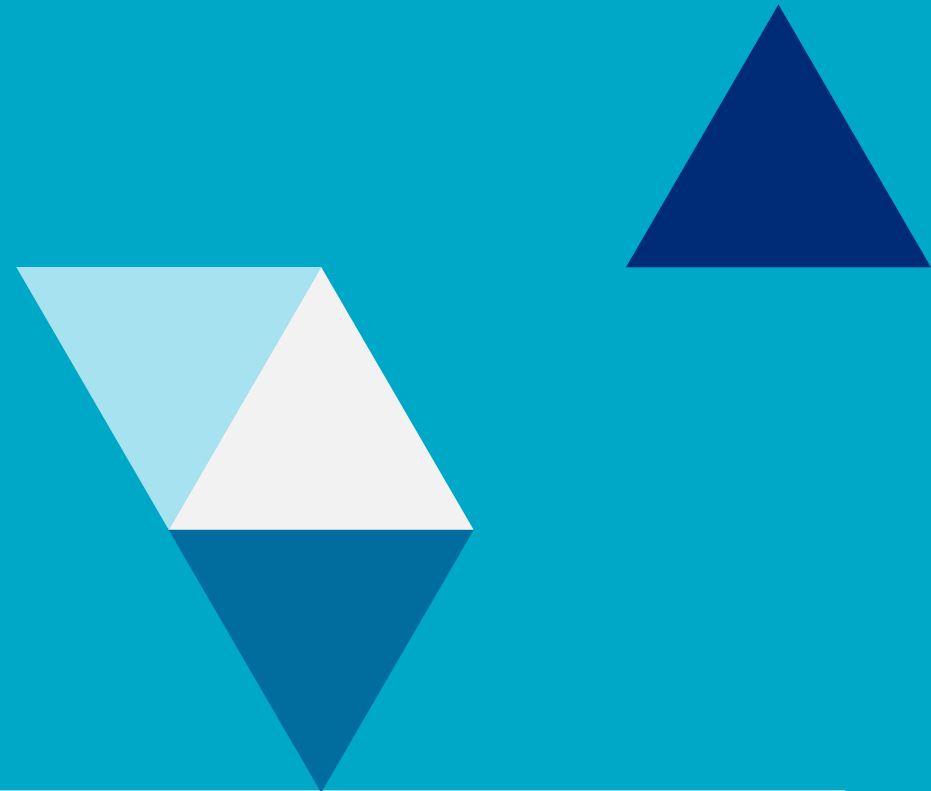
- Today's Materials:
  - Hospital-Specific Fiscal Impact Model.
  - APC Claim Payment Workflow.
  - Hospital-Specific APC Claims Data.
  - Data Dictionary.
- Other Available Materials/Issue Papers:
  - <http://www.ct.gov/dss/cwp/view.asp?a=4598&q=571050>

# ISSUE PAPERS

- APC Policy Changes
- APC System Updates
- APC Policy Exclusions
- Basis for Fiscal Modeling
- Connecticut Addendum B
- Edits and Billing Issues
- Outpatient Outliers
- Person-Centered Medical Home




# NEXT STEPS



# NEXT STEPS

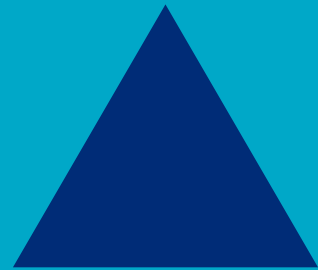
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- Additional stakeholder feedback.

- 
- Complete systems development and implementation.
  - Conduct provider training.
  - Finalize project documentation.

# QUESTIONS?

Please address any questions in writing to:

Kate McEvoy  
DSS Medicaid Director  
55 Farmington Avenue  
Hartford, CT 06105



# RESOURCES

**Connecticut Department of Social Services Reimbursement Modernization:**

<http://www.ct.gov/dss/cwp/view.asp?a=4598&q=538256>

**Connecticut Medical Assistance Program:**

[www.ctdssmap.com](http://www.ctdssmap.com)

**MAKE**



**TOMORROW,  
TODAY**