



Connecticut Medical Assistance Program
Policy Transmittal 2020-54

Provider Bulletin 2020-89
December 2020

Deidre S. Gifford, MD, MPH, Commissioner

Effective Date: January 1, 2021
Contact: Roberta Cecil

TO: All Hospital Providers

RE: Annual Update to the Inpatient Hospital Adjustment Factors and Update to the APR-DRG Weights

This policy transmittal is to inform providers that, effective for inpatient hospital discharges on or after January 1, 2021: (1) the adjustment factor added to the All Patient Refined – Diagnosis-Related Group (APR-DRG) base payment calculation will be updated for calendar year (CY) 2021 in accordance with the existing approved methodology and (2) the traditional Healthcare Cost and Utilization Project (HCUP) weights established by 3M will be implemented for APR-DRG.

As described in approved Medicaid State Plan Amendment (SPA) 20-0001, updating the adjustment factor for each CY is necessary to make overall DRG payment levels under the most recent grouper comparable to overall payment levels under the prior grouper. The calculations for the CY 2021 adjustment factor were made using the traditional HCUP weights.

The CY 2021 adjustment factors by peer group are:

- 1.1489 for non-governmental licensed short-term general hospitals,
- 1.1253 for governmental licensed short-term general hospitals, and
- 1.1198 for licensed children’s general hospitals.

Out-of-state licensed short-term general hospitals receive the adjustment factor for in-state non-governmental licensed short-term general hospitals.

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Responsible Unit: DSS, Division of Health Services, Reimbursement Unit, Roberta Cecil at (860) 424-5932 or Roberta.cecil@ct.gov.

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