

Inpatient Hospital UPL Guidance

I. The Basis of the UPL Formula is:

- Cost-Based Demonstration (e.g. Cost-to-charge ratio X Medicaid covered I/P charges) or
- Payment-Based Demonstration (e.g. Payment-to-charge ratio X Medicaid covered I/P charges)
- Medicare DRG (Acuity-Adjusted Price-Based Demonstration)
- Other (please describe below):

Please provide a general description of the formula:

II. The source of the UPL Medicare Equivalent Data is:

- The Medicare Cost Report (CMS 2552-96 or 2552-10)
 - Filed
 - Settled
- Medicare Price-Based
 - Diagnostic Related Group (DRG)

Indicate the year of the grouper: _____

Does the state have separate DRG amounts for state, non-state government, and private providers?

- Yes
- No

Were all claims included in the DRG demonstration or a sample?

- Yes
- No

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Explain the sample and the basis for using sampling:

Describe the application of the DRG:

Please explain the pricer factors and how they tie to what Medicare has established for the providers in the base year. Also explain how mother and baby days are handled.

The State calculates a per discharge amount per facility

Is the per discharge amount run through the Medicare grouper?

Yes

No

Please detail the calculation of the per discharge amount.

Please explain how the price-based demonstration adjusts for differences in Medicare and Medicaid patient acuity.

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Please explain all other data source(s) used in the UPL calculation.

What is the time period of the data?

Base year data: _____

Rate year data: _____

III. The State uses the Cost Report References below:

Cost-Based Demonstration (e.g. Ancillary Cost-to-Charge Ratio and Room and Board per Diems):

Worksheet B

Worksheet C

Worksheet D-1

Describe which columns and lines that are used to determine the cost-to-charge ratios and, if applicable, the hospital routine per diem amounts used in the cost-based UPL.

Payment-to-Charge Demonstration (Payment to Charge Ratio) use:

Worksheet E, Part A (Payments) / Worksheet D-4 (Charges)

Describe which worksheets, columns and lines that are used to determine the Medicare payments and charges to calculate the payment-to-charge ratio(s).

Does the Medicare payment data represent gross reported payment or are adjustments made to the data to capture the net payment?

Gross

Net

For net reported payments, please explain the adjustments for primary payer payments, deductible, coinsurance and reimbursable bad debts. (Please note: if deductibles and coinsurance are added onto the Medicare payment, the state should remove reimbursable bad debts included in the Medicare payments).

Please describe all other cost report worksheets, columns and lines used in the demonstration:

If the state uses other worksheets, describe them and how they are applied.

IV. The state applies the Medicaid charge, day, or discharge data as described below to the Medicare charge ratios, per diems, or adjusted DRG amounts:

The Medicaid covered charges/days/discharges are from paid claims reported from the MMIS.

The Medicaid covered charges/days/discharges are from another source.

Other source: _____.

Do the dates of service for the Medicaid charge/day/discharge data match the dates of services from the Medicare cost report data?

If no, please explain.

Does the state only include Medicaid charges from in-state Medicaid residents?

Yes

No

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Does the charge data exclude crossover claims?

Yes

No

Are physicians and other professional service charges excluded?

Yes

No

Please explain the inclusion of any professional service charges and verify that those services are covered, billed and paid as Medicaid inpatient hospital service payments in accordance with the approved state plan inpatient hospital reimbursement methodology.

V. The UPL demonstration applies Medicaid payment data as follows:

Medicaid base payment data is reported from the MMIS.

Yes

No

If the source of the payment data is a different source, please explain:

Medicaid payment data includes ALL base and supplemental payments to inpatient hospital providers. Note: any reimbursement paid outside of MMIS should also be included (e.g. Organ

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Acquisition payments, GME payments, etc.). Within the demonstration the base and supplemental payments must be separately identified.

Yes

No

Please explain payments that are made outside of the MMIS.

Medicaid payment data exclude crossover claims.

Yes

No

Is the Medicaid payment reported gross or net of primary care payments, deductibles and co-pays?

Gross

Net

Describe how Medicaid payment rate changes between the base period and the UPL period are accounted for in the demonstration?

Does the dollar amount of payments for the UPL base period equal the “claimed” amounts on the CMS-64, Medicaid Expenditures report for the UPL time period?

Yes

No

If no, please provide a reconciliation and explanation of the difference?

VI. The State trends or adjusts the UPL data, as follows:

The state trends the UPL for inflation

Yes

No

Explain the trending factor and its source.

Is the inflation trend applied from “mid-point to the mid-point” in order to most accurately project future experience?

Yes

No

The state trends the UPL for volume/utilization.

Yes

No

Explain the volume/utilization adjustment, including: how will it assure the UPL does not over or understate the volume of Medicaid inpatient hospital services provided in the rate year, how it is applied and that it is applied consistently to the Medicare equivalent and Medicaid payment data:

Please explain all additional trends or factors that are used in the demonstration and their application:

Does the state apply a claims completion factor to the charge/day/discharge data?

Yes

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No

Please explain the claims completion factor and its application:

Does the state apply a claims completion factor to the payment data?

Yes

No

Is the claims completion factor equally applied to the payment and Medicaid charge/day/discharge data used in computing the Medicare UPL?

Yes

No

Please explain the claims completion factor and its application:

VII. The state UPL data demonstration is structured as follows:

The state conducted the UPL demonstration separately for state government owned or operated, non-state government owned or operated and privately owned or operated hospitals.

Yes

No

All Medicaid base and supplemental payments are included in the demonstration and are separately identified.

Yes

No

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The data demonstration only includes in-state hospitals.

Yes

No

If the state includes out of state hospitals in the UPL calculation, please verify that data on cost/payments have been obtained from the cost report of the out of state hospitals and that the hospitals are included in the “private” provider category.

Yes

No

Are Critical Access Hospitals (CAHs) included?

Yes

No

Describe how the state accounts for CAHs in the UPL calculation?

If CAHS are excluded, please explain the decision to exclude them from the UPL and the basis for demonstrating compliance with 42 CFR 447.272.

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