



PROVIDER QUICK TIPS

#114

FEE FOR SERVICE RELATIVE WEIGHT ADJUSTMENT

On October 17, 2011, effective for dates of discharge on or after July 1, 2011, relative weights for inpatient Fee-for-Service claims billed by acute care general hospitals were adjusted consistent with the approved state plan amendment.

In accordance with the state plan amendment, the Department of Human Services (the department) analyzed the first six months of paid claims for fiscal year 2010-2011 (July 1, 2010 – December 31, 2010 dates of discharge) as processed under the APR-DRG classification system to determine the statewide average case mix index. This analysis resulted in a statewide case mix index of 1.067. The acceptable range for this period was 1.02 to 1.04; therefore, an adjustment factor of 0.9747 was applied to each relative value in order to bring the statewide case mix index into the acceptable range at 1.04. The adjustment to the relative weights implemented on October 17, 2011 applies to all inpatient Fee-for-Service claims with dates of discharge on or after July 1, 2011. Mass adjustment of claims submitted prior to October 17, 2011 for dates of discharge on or after July 1, 2011 will not be performed at this time.

In accordance with the state plan amendment, the department is required to analyze the statewide case mix index based on the full year of FY 2010-2011 claims processed under APR-DRG, again with an acceptable range of 1.02 to 1.04. Any adjustment to the relative weights based on this second analysis will be effective for dates of discharge on or after July 1, 2011 as well. Once this second adjustment to relative weights is implemented, a mass adjustment of all claims with dates of discharge on or after July 1, 2011 will be performed. The department is targeting a February/March 2012 timeframe for this second adjustment of relative weights followed shortly by the mass adjustment of the affected claims.

Thank you for your service to our Medical Assistance recipients.

We value your participation.

Check the department's website often: www.dhs.pa.gov



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DEPARTMENT OF HUMAN SERVICES