



RON DESANTIS
GOVERNOR

MARY C. MAYHEW
SECRETARY

April 29, 2020

Statewide Medicaid Managed Care (SMMC) Policy Transmittal: 2020-28

Applicable to the **2018-2023 SMMC contract benefits** for:

- Managed Medical Assistance (MMA) and MMA Specialty
- Long-Term Care (LTC)
- Dental

Re: Reprocessing State Fiscal Year (SFY) 2019-20 Diagnosis Related Group (DRG) Rates

The managed care plan must establish payment rates for hospital inpatient services in accordance with Section VIII.E. Provider Services, Claims and Provider Payment. (MMA: Attachment II, Section VIII.E.4.-5.) The SFY 2019- 20 DRG rates have been recalculated using the parameters adopted by the Florida Legislature in the SFY 2020-21 House Bill 5001 proviso language. The purpose of this policy transmittal is to direct the managed care plan to begin reprocessing hospital claims paid with the previous SFY 2019-20 DRG rates.

House Bill 5001 directs managed care organizations that make payments to hospitals which are based upon DRG payment rates to use these adjusted payment parameters, effective May 1, 2020 through the remainder of SFY 2019-2020 and appropriately reimburse all paid claims for services provided from July 1, 2019 through April 30, 2020 using the re-calculated parameters, with corrected reimbursement occurring within one hundred and twenty (120) days of the implementation of the new rate parameters. This policy transmittal establishes the implementation date of the new parameters. Hospital claims paid with the previous DRG rates, for dates of service from July 1, 2019 through April 30, 2020, must be reprocessed by no later than August 28, 2020.

DRGs with the new rates are posted on the Agency website at:

http://ahca.myflorida.com/medicaid/cost_reim/hospital_rates.shtml. For additional information on DRGs, including the updated Florida DRG Calculator, please visit the Medicaid DRG website at: www.ahca.myflorida.com/medicaid/cost_reim/drg.shtml.

The updated SFY 2019-20 rates and adjustors are listed as follows:

Base Rate - \$3,510.72

Neonates Service Adjustor Severity Level 1 - 1.0

Neonates Service Adjustor Severity Level 2 - 1.52

Neonates Service Adjustor Severity Level 3 - 1.8

Neonates Service Adjustor Severity Level 4 - 2.0

Neonatal, Pediatric, Transplant Pediatric, Mental Health and Rehab DRGs:

Severity Level 1 - 1.0

Severity Level 2 - 1.52

Severity Level 3 - 1.8

Severity Level 4 - 2.0



Free Standing Rehabilitation Provider Adjustor - 4.223
Rural Provider Adjustor - 2.254
Long Term Acute Care (LTAC) Provider Adjustor - 2.179
High Medicaid and High Outlier Provider Adjustor - 2.211
Outlier Threshold - \$60,000
Marginal Cost Percentage - 60%
Marginal Cost Percentage for Pediatric Claims Severity Levels 3 or 4 - 80%
Marginal Cost Percentage for Neonates Claims Severity Levels 3 or 4 - 80%
Marginal Cost Percentage for Transplant Pediatric Claims Severity Levels 3 or 4 - 80%
Documentation and Coding Adjustment - 1/3 of 1% per year
Level I Trauma Add On - 17%
Level II or Level II and Pediatric Add On - 11%
Pediatric Trauma Add On - 4%

If you have any questions, please contact Ms. Lisa Smith in the Bureau of Medicaid Program Finance by calling (850) 412-4114.

Sincerely,



Shevaun Harris
Assistant Deputy Secretary for
Medicaid Policy and Quality

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