

Inpatient Hospital UPL Guidance

State: _____

- State government owned or operated facilities
- Non-state government owned or operated facilities
- Private facilities

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:

Medicaid inpatient costs and payments are summarized from paid claims data for dates of service that are within the hospitals cost report fiscal years. On a hospital specific basis, charges are multiplied by cost to charge ratios (CCRs) from latest filed reports available in the HCRIS database. Medicaid payment is subtracted from cost of inpatient services for each hospital. CMS market basket inflation factors are applied to adjust to UPL demonstration year. Aggregate inflated differential (Medicaid inpatient costs less Medicaid payments) for each hospital is the UPL aggregate for each group of hospitals (state governmental, non-state governmental and private).

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

- The Medicare Cost Report (CMS 2552-96 or 255 2-10)
 - 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

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.

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

Medicaid Claims data is summarized to the individual hospitals cost report fiscal years.
Hospital Cost Reports that have a FYE that falls within SFY 2017 are downloaded from the HCRIS database.
SFY 2019 Supplemental Payments
SFY 2018 FFS Outlier Payments

What is the time period of the data?

Base year data: 2017

Rate year data: 2019

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.

Charges - C, Part I, Line 200, Col. 8 + D-4, Line 49, Col. 3 (Organ Acq.)
Cost - B, Part I, Line 202, Col. 24 + E, Part A, Line 52, Col. 1 (DGME) + D-4, Line 69, Col. 1 (Organ Acq.)

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 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 and description:

- 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

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 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.

Supplemental payments and outliers applicable to the FFS population are included.

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?

Medicaid payments from the MMIS claims data base are adjusted using inflationary increases, rate cuts, rebasing and other significant rate changes that have impacted payments for dates of service that occurred either subsequent or prior to the ending time period of the claims data set. Supplemental payments are also adjusted to align with the UPL period.

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?

The UPL base data uses actual Medicaid payments for dates of service from the hospitals cost report fiscal year and adjusted to estimate Medicaid payments during the UPL demonstration period. The CMS 64 reports actual Medicaid expenditures paid regardless of date of service.

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.

The 6.1FY, CMS Hospital Market Basket is used to inflate each hospital's cost report data to the midpoint of the UPL demonstration year.

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:

Changes in ownership that cause a public hospital to become privately owned, or vice versa are adjusted from base year to UPL rate year to more accurately state UPL. Adjustments are also made for facility closures or major service discontinuations.

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

- Yes
- 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

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?

CAHs are calculated at 101% of cost and included in the appropriate ownership group.

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.