

9500.1128 DETERMINATION OF PAYMENT RATES.

Subpart 1. **Notification.** Minnesota and local trade area hospitals will be provided a notice of rates and relative values that are to be effective for the rate year by the preceding December 1. The payment rates shall be based on the rates in effect on the date of admission except when the inpatient admission includes both the first day of the rate year and the preceding July 1. In this case, the adjusted base year operating cost on the admission date shall be increased each rate year by the rate year hospital cost index.

Subp. 2. **Rate per admission.**

A. Each admission is classified to the appropriate program or the rehabilitation distinct part specialty group and diagnostic category according to part 9500.1100, subparts 20a to 20g, and the rate per admission will be determined according to subitems (1) and (2):

- (1) Medical Assistance Rate Per Admission = ((Adjusted base year operating cost per admission multiplied by the relative value of the diagnostic category) plus the property cost per admission) and multiplied by the disproportionate population adjustment under part 9500.1121 or the hospital payment adjustment under part 9500.1123
- (2) General Assistance Medical Care Rate per Admission = (Adjusted base year operating cost per admission multiplied by the relative value of the diagnostic category and multiplied by the disproportionate population adjustment under part 9500.1121) plus the property cost per admission

B. The day outlier rate is in addition to the rate per admission and will be determined by program or the rehabilitation distinct part specialty group as follows:

(1) The rate per day for day outliers, as classified in item A, is determined as follows:

Outlier Rate Per Day = Adjusted base year operating cost per day outlier multiplied by the relative value of the diagnostic category and multiplied by the disproportionate population adjustment under part 9500.1121 or the hospital payment adjustment under part 9500.1123

(2) The days of outlier status begin after the trim point for the appropriate diagnostic category and continue for the number of days a patient receives covered inpatient hospital services excluding days paid under item E.

C. Except for admissions subject to subpart 3, a transfer rate per day for both the hospital that transfers a patient and the hospital that admits the patient who is transferred will be determined as follows:

Transfer Rate Per Day = The rate per admission in item A divided by the arithmetic mean length of stay of the diagnostic category

(1) A hospital will not receive a transfer payment that exceeds the hospital's applicable rate per admission specified in item A unless that admission is a day outlier.

(2) Except as applicable under subpart 4, rehabilitation hospitals and rehabilitation distinct parts are exempt from a transfer payment.

(3) An admission that directly precedes an admission to a non-state-owned hospital that provides psychiatric inpatient hospital services to persons with serious and persistent mental illness who have been civilly committed or voluntarily hospitalized in lieu of commitment and that is paid according to a contracted rate per day with the department is exempt from a transfer payment.

D. An admission classified to DRG's 386 to 390 whose length of stay is less than 50 percent of the arithmetic mean length of stay for the diagnostic category the admission is classified to under part 9500.1100, subparts 20a to 20g, and whose age at the time of admission is equal to or greater than one year, will be paid according to item C.

E. For an admission whose length of stay exceeds 365 days, the payment for the inpatient hospital services provided beyond 365 days will be the charges for those inpatient hospital services multiplied by the hospital's operating cost-to-charge ratio for all admissions determined under part 9500.1110, subpart 1, item D, subitem (4), and multiplied by the disproportionate population adjustment under part 9500.1121 or the hospital payment adjustment under part 9500.1123. This item is not applicable to rate per day payments under subpart 3.

F. For an admission that is classified to a diagnostic category that includes neonatal respiratory distress syndrome, the hospital must have a level II or level III nursery and the patient must receive treatment in that unit or payment will be made without regard to the respiratory distress syndrome condition.

G. A general assistance medical care admission classified to DRG's 424 to 432, 434, and 435 will be paid according to item C except that the per day rate will be multiplied by a factor of two.

Subp. 3. Rate per day.

A. Admissions resulting from a transfer to a neonatal intensive care unit specialty group and classified to a diagnostic category in part 9500.1100, subpart 20f, will

have rates determined according to subpart 2, item A, after substituting the word "day" for "admission."

B. Admissions or transfers to a long-term care hospital will have rates determined according to subpart 2, item A, after substituting the word "day" for "admission," without regard to relative values.

Subp. 4. **Readmissions.** An admission and readmission of the same patient to the same or a different hospital within 15 days, excluding the days of discharge and readmission, is eligible for payment according to the criteria in parts 9505.0501 to 9505.0545.

Statutory Authority: *MS s 256.9685; 256.9695*

History: *18 SR 1115; 26 SR 976*

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