

Minnesota Department of Human Services
Inpatient Rebasing APR-DRG Final Model Rates Effective July 1, 2019
APR-DRG Model Components

Rebasing Model January 17, 2020

2019 Final Inpatient Model for Prospective Payment Systems (PPS) Hospitals		
Design Component	Description	
Model claims data	Calendar year (CY) 2016 Minnesota Medicaid inpatient acute and psychiatric fee-for-service (FFS) claims data from in-state and out-of-state local trade area (LTA) hospitals. Excludes category of service (COS) values that are not 001, 006, 014, Medicare dual eligible, ungroupable DRG claims, long term acute care (LTAC) claims, claims with \$0 allowed amounts, critical access hospital (CAH) claims and out-of-state non-LTA provider claims.	
DRG classification version	3M APR-DRG version 36	
Proposed new system target expenditures	New inpatient system funding pool based on CY 2016 allowed amounts, trended for cost inflation by a factor of 3.5%.	
Diagnosis-related group (DRG) base rates	Based on statewide standardized amount of \$8,095.97 with labor portion adjusted by FFY 2019 Medicare IPPS wage index (with reclassifications, without frontier adjustment). Statewide standardized amount set such that statewide aggregate simulated total claim payments are equal to current system payments.	
Relative weights	Based on 3M's version 36 APR-DRG Hospital Specific Relative Value (HSRV) national weights.	
Base payments	Calculated by multiplying the All Patient Refined Diagnosis Related Group System (APR-DRG) base rate by the APR-DRG relative weight.	
Outlier payments	Calculated using following: <ul style="list-style-type: none"> - Claim outlier threshold equal to base APR-DRG payment plus \$70,000 fixed loss threshold - Claim outlier costs calculated by multiplying claim charges by FFY 2019 Medicare cost-to-charge ratios (CCRs). - Claim outlier payment for SOIs 1/2/3/4 calculated based on 50.0% of outlier costs exceeding outlier threshold for all APR-DRGs. 	
Transfer payments	Based on the Medicare IPPS pro-rated standard transfer methodology for discharge status of '02', '05', and '65'. Transfer payment equal to the APR-DRG base payment divided by the APR-DRG average length of stay, multiplied by one plus the claim length of stay (up to the full APR-DRG base payment). APR-DRG average length of stay based on the 3M national average length of stay.	
Disproportionate share Hospital (DSH) payments	Calculated by multiplying the sum of the base payments and outlier payments by revised Disproportionate patient adjustment (DPA) factors. Revised DPA factors applied for in-state hospitals meeting one of the following criteria: <ul style="list-style-type: none"> - Children's providers - Psychiatric contract beds - Major transplant providers - High MA volume providers 	
Assessment payments	Calculated as: (Base payment + outlier payment + DSH payment - TPL payment - Patient liability) * 2%. Starting January 1, 2020 the assessment payments will be reduced from 2% to 1.8%.	

<p>Policy adjusters</p>	<ul style="list-style-type: none"> - Included a \$20 newborn screening add-on. - Created a new policy adjuster for burns set at 1.66. - Created a new policy adjuster for Pre-MDC services set at 1.56. - Created a new specialty mental health services policy adjuster set at 2.25. - Mental health policy adjusters for severity of illness (SOI) levels 1/2/3/4 are 2.03/2.06/1.80/1.14. - Neonate and all other obstetrics services policy adjusters set to 1.0. - Non-metro APR-DRG 560 adjuster set to 1.05. - Normal Newborn adjuster set to 1.26. - Pediatrics policy adjuster is 1. - Rehab policy adjuster is 1.23. - Transplant policy adjuster set to 3.04. - Trauma policy adjuster set to 1.75.
<p>Individual Charge Cap</p>	<p>Charge cap applied to all claims.</p>

**Minnesota Department of Human Services
 Inpatient Rebasing APR-DRG Final Model for Rates Effective July 1, 2019
 Calendar Year 2016 DRG Model Data
 Policy Adjuster Impact Summary Compared to Legacy System**

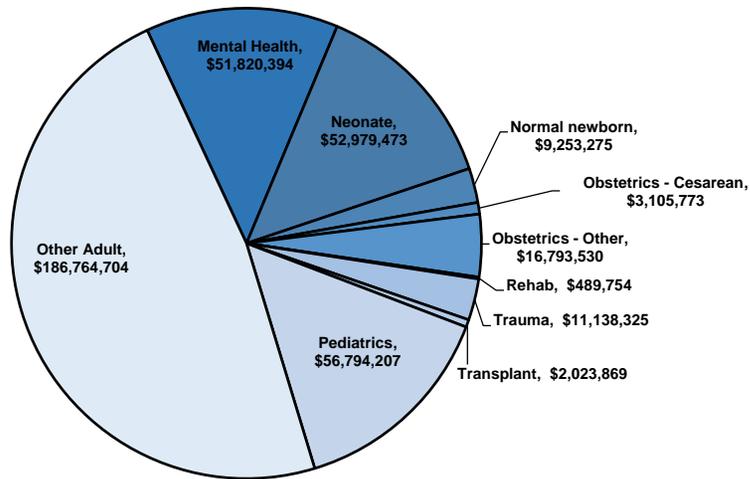
Rebasing Model January 17, 2020

Policy Adjuster Categories	Calendar Year 2016 DRG Model FFS Claims Data					Temporary Policy Adjuster	Simulated Payments Under 7.1.19 Rates	Estimated Pay to Cost Ratio	2016 Legacy System to Rebasing Payment Difference	2016 Legacy System to Rebasing Payment Change Percentage
	CY 2016 Discharges	APR-DRG Case Mix Index (CMI) (HSRV Weights)	Estimated Cost	2016 Total Legacy System Payments	2016 Legacy System Estimated Pay-to-Cost Ratio					
1. Mental Health:										
Severity of illness (SOI) level 1	2,028	0.362	\$ 16,228,546	\$ 13,365,769	82.4%	2.03	\$13,846,635	85.3%	\$ 480,866	3.6%
SOI level 2	3,167	0.456	39,580,409	28,088,439	71.0%	2.06	29,054,869	73.4%	966,430	3.4%
SOI level 3	491	0.620	7,845,259	5,487,712	69.9%	1.80	5,697,951	72.6%	210,240	3.8%
SOI level 4	75	1.817	3,414,793	1,739,920	51.0%	1.14	1,836,036	53.8%	96,116	5.5%
Mental Health Total	5,761	0.454	\$ 67,069,008	\$ 48,681,841	73%		\$ 50,435,492	75.2%	\$ 1,753,651	3.60%
2. Specialty Mental Health:										
SOI level 1	59	0.378	\$ 272,136	\$ 297,631	109.4%	2.25	\$324,295	119.2%	\$ 26,664	9.0%
SOI level 2	310	0.476	2,270,668	2,208,891	97.3%	2.25	2,171,874	95.6%	(37,017)	-1.7%
SOI level 3	69	0.733	813,691	632,032	77.7%	2.25	674,557	82.9%	42,525	6.7%
SOI level 4	-	-	-	-	0.0%	2.25	-	0.0%	-	0.0%
Specialty Mental Health Total	438	0.503	\$ 3,356,495	\$ 3,138,553	93.5%		\$ 3,170,726	94.5%	\$ 32,172	1.0%
3. Neonate										
4. Normal Newborn	1,684	2.456	\$ 66,504,846	\$ 52,979,473	79.7%	1.00	\$ 57,535,780	86.5%	4,556,308	8.6%
5. Non-Metro DRG 560	8,546	0.149	18,755,562	9,253,275	49.3%	1.26	15,039,672	80.2%	5,786,397	62.5%
6. Obstetrics - all other services	1,069	0.398	4,987,579	3,105,773	62.3%	1.05	3,926,918	78.7%	821,145	26.4%
7. Burns	5,343	0.473	30,352,350	16,793,530	55.3%	1.00	23,341,967	76.9%	6,548,436	39.0%
8. Pre-MDC	44	2.093	1,502,458	1,406,907	93.6%	1.66	1,873,750	124.7%	466,844	33.2%
9. Rehab	128	9.488	22,206,214	18,156,507	81.8%	1.56	21,891,908	98.6%	3,735,401	20.6%
10. Trauma	32	1.244	802,863	489,754	61.0%	1.23	495,004	61.7%	5,251	1.1%
11. Transplant	515	1.694	14,406,606	11,138,325	77.3%	1.75	15,836,081	109.9%	4,697,756	42.2%
12. Pediatrics	19	8.125	2,569,509	2,023,869	78.8%	3.04	4,483,170	174.5%	2,459,301	121.5%
13. Other Adult	4,050	0.866	64,854,356	56,794,207	87.6%	1.00	50,701,749	78.2%	(6,092,459)	-10.7%
Non Mental Health Total	17,067	0.901	248,617,262	167,201,289	67.3%	1.00	156,121,803	62.8%	(11,079,487)	-6.6%
	38,497	0.769	\$ 475,559,603	\$ 339,342,910	71.4%		\$ 351,247,802	73.9%	\$ 11,904,892	3.5%
CY 2016 Analytical Dataset Total	44,696	0.726	\$ 545,985,106	\$ 391,163,304	71.6%		\$ 404,854,020	74.2%	\$ 13,690,716	3.5%

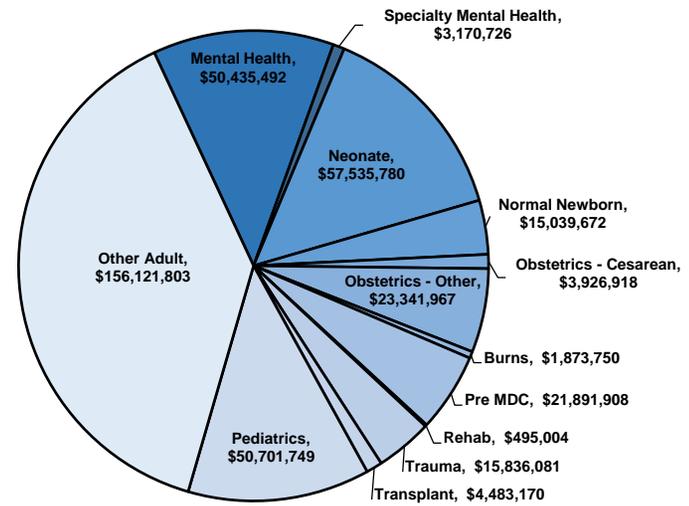
Minnesota Department of Human Services
 Inpatient Rebasing APR-DRG Final Model for Rates Effective July 1, 2019
 Calendar Year 2016 DRG Model Data
Policy Adjuster Impact Summary Compared to Legacy System

Rebasing Model January 17, 2020

Current System Payments by Policy Adjuster Total \$391.2 Million



New System Payments by Policy Adjuster Total \$404.9 Million



Minnesota Department of Human Services
Inpatient Rebasing APR-DRG Final Model for Rates Effective July 1, 2019
Calendar Year 2016 DRG Model Data
Policy Adjuster Payment Breakout

Rebasing Model January 17, 2020

Simulated Payments Under New All Patient Refined Diagnosis Related Group (APR-DRG) System								
Policy Adjuster Categories	Calendar Year (CY) 2016 Discharges	Policy Adjuster	Base DRG Payments	Outlier Payments	Disproportionate Share Hospital (DSH) Payments	Newborn Add-on Payments	Impact of Charge Cap	Total Payments Under 7.1.19 Rates
1. Mental Health:								
Severity of Illness (SOI) level 1	2,028	2.03	\$ 12,574,586	\$ 33,739	\$ 1,850,529	\$ -	\$ (612,219)	\$13,846,635
SOI level 2	3,167	2.06	25,070,699	821,165	4,292,399	-	(1,129,393)	29,054,869
SOI level 3	491	1.80	4,586,641	325,222	916,887	-	(130,798)	5,697,951
SOI level 4	75	1.14	1,315,429	228,812	309,218	-	(17,423)	1,836,036
Mental Health Total	<u>5,761</u>		<u>\$ 43,547,354</u>	<u>\$ 1,408,939</u>	<u>\$ 7,369,032</u>	<u>\$ -</u>	<u>\$ (1,889,833)</u>	<u>\$ 50,435,492</u>
2. Specialty Mental Health:								
SOI level 1	59	2.25	\$ 331,374	\$ -	\$ -	\$ -	(7,079)	\$324,295
SOI level 2	310	2.25	2,236,940	-	-	-	(65,066)	2,171,874
SOI level 3	69	2.25	670,069	14,814	-	-	(10,327)	674,557
SOI level 4	-	2.25	-	-	-	-	-	-
Specialty Mental Health Total	<u>438</u>		<u>\$ 3,238,384</u>	<u>\$ 14,814</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (82,472)</u>	<u>\$ 3,170,726</u>
3. Neonate	1,684	1.00	\$ 34,081,522	\$ 8,628,004	\$ 16,973,543	\$ 30,780	(2,178,068)	\$ 57,535,780
4. Normal newborn	8,546	1.26	13,507,868	-	1,559,450	167,240	(194,886)	15,039,672
5. Non-Metro DRG 560	1,069	1.05	3,598,095	-	349,018	-	(20,194)	3,926,918
6. Obstetrics - all other services	5,343	1.00	21,337,100	57,967	1,976,875	-	(29,976)	23,341,967
7. Burns	44	1.66	1,320,355	138,057	480,478	-	(65,139)	1,873,750
8. Pre-MDC	128	1.56	15,743,331	2,871,983	3,798,310	-	(521,716)	21,891,908
9. Rehab	32	1.23	405,902	30,181	61,716	-	(2,795)	495,004
10. Trauma	515	1.75	12,885,645	526,103	2,675,651	-	(251,318)	15,836,081
11. Transplant	19	3.04	4,023,547	88,548	670,763	-	(299,688)	4,483,170
12. Other Pediatric	4,050	1.00	29,624,365	2,644,252	19,000,708	-	(567,577)	50,701,749
13. Other Adult	17,067	1.00	129,434,281	6,957,224	20,234,525	-	(504,227)	156,121,803
Non Mental Health Total	<u>38,497</u>		<u>\$ 265,962,012</u>	<u>\$ 21,942,319</u>	<u>\$ 67,781,037</u>	<u>\$ 198,020</u>	<u>\$ (4,635,586)</u>	<u>\$ 351,247,802</u>
CY 2016 Analytical Dataset Total	<u>44,696</u>		<u>\$ 312,747,750</u>	<u>\$ 23,366,072</u>	<u>\$ 75,150,069</u>	<u>\$ 198,020</u>	<u>\$ (6,607,891)</u>	<u>\$ 404,854,020</u>

**Minnesota Department of Human Services
 Inpatient Rebasing APR-DRG Final Model for Rates Effective July 1, 2019
 Calendar Year 2016 DRG Model Data
 Provider Impact**

Rebasing Model January 17, 2020

Sorted by Payment Change

Medicare Provider Number	Hospital Name	CY 2016 Discharges	APR-DRG CMI (HSRV* Weights)	Estimated Costs	2016 Total Legacy System Payments	Simulated Payments Under 7.1.19 Rates	Payment Change H=G-F	Payment Change I=G/F-1	Rebasing Pay- to-Cost Ratio J=G/E
A	B	C	D	E	F	G	H=G-F	I=G/F-1	J=G/E
240057	Abbott Northwestern Hospital	2,555	0.665	\$25,966,586	\$14,135,961	\$18,625,607	\$4,489,646	31.8%	71.7%
240036	St. Cloud Hospital	2,487	0.734	23,647,859	16,039,740	18,302,979	2,263,240	14.1%	77.4%
240001	North Memorial Health Care	1,610	0.885	21,146,806	12,958,504	14,919,202	1,960,698	15.1%	70.6%
240063	Healtheast St Josephs Hospital	763	0.711	9,099,265	5,211,860	6,923,527	1,711,667	32.8%	76.1%
350011	Sanford Medical Center - Fargo	829	1.138	12,558,634	6,850,258	8,147,215	1,296,957	18.9%	64.9%
240002	Essentia Health - St Marys Duluth	1,098	1.025	13,823,181	8,986,062	10,227,259	1,241,197	13.8%	74.0%
240038	United Hospital	1,728	0.558	14,975,324	9,411,248	10,318,087	906,839	9.6%	68.9%
240078	Fairview Southdale Hospital	703	0.691	8,112,082	4,207,536	5,095,154	887,618	21.1%	62.8%
240210	Healtheast St Johns Hospital	1,066	0.456	5,990,129	3,694,866	4,557,164	862,298	23.3%	76.1%
240093	Mayo Clinic Health System Mankatko	727	0.517	5,286,197	2,729,293	3,499,877	770,584	28.2%	66.2%
243302	Childrens Hospitals & Clinics Of MN	2,507	1.305	69,729,139	64,498,542	65,185,853	687,311	1.1%	93.5%
240100	Sanford Bemidji	986	0.602	6,181,447	4,201,285	4,812,940	611,655	14.6%	77.9%
240088	Carris Health (Rice Memorial Hospital)	479	0.380	3,650,828	1,743,015	2,234,380	491,364	28.2%	61.2%
240056	Ridgeview Medical Center	302	0.470	2,084,994	833,527	1,299,735	466,208	55.9%	62.3%
240019	Essentia Health - Duluth	390	0.562	5,934,775	2,857,855	3,305,211	447,356	15.7%	55.7%
240101	Essentia Health - Detroit Lakes - St Marys	385	0.432	1,612,701	1,174,887	1,617,346	442,459	37.7%	100.3%
240214	Maple Grove Hospital	884	0.445	3,993,888	3,286,801	3,722,298	435,497	13.2%	93.2%
430016	Avera Mckennan Hosp & Univ Hlth Ctr	238	0.623	1,905,756	1,037,086	1,461,432	424,346	40.9%	76.7%
240004	Hennepin County Medical Center	4,057	0.779	56,918,014	45,661,494	46,073,186	411,692	0.9%	80.9%
240040	Fairview Univ Med Ctr (Hibbing)	291	0.402	2,252,676	1,304,688	1,639,712	335,024	25.7%	72.8%
240207	Fairview Ridges Hospital	777	0.517	6,099,350	3,341,065	3,601,636	260,570	7.8%	59.0%
240075	Essentia Health -St Josephs (Brainerd)	401	0.525	2,994,346	1,925,739	2,168,022	242,283	12.6%	72.4%
240030	Douglas County Hospital	246	0.440	1,087,175	620,606	860,584	239,978	38.7%	79.2%
240187	Hutchinson Health Care	211	0.402	1,509,763	974,710	1,207,502	232,792	23.9%	80.0%
520087	Gundersen Lutheran Medical Center I	119	0.729	1,448,674	542,620	764,196	221,576	40.8%	52.8%
240006	Olmsted Medical Center	357	0.282	1,264,742	901,694	1,116,360	214,666	23.8%	88.3%
240104	St Francis Regional Medical Center (Shakopee)	433	0.454	3,016,345	1,527,205	1,701,820	174,615	11.4%	56.4%
240069	Owatonna Hospital	277	0.385	1,925,062	1,127,563	1,279,072	151,510	13.4%	66.4%
240047	St. Lukes Hospital Of Duluth	649	0.683	6,459,282	4,461,402	4,592,907	131,505	2.9%	71.1%
240071	District One Hospital	194	0.346	890,166	497,528	609,277	111,748	22.5%	68.4%
240141	Fairview Northland Reg	165	0.367	832,811	492,285	591,326	99,041	20.1%	71.0%
244016	Prairiecare	255	0.412	5,100,780	1,807,253	1,904,996	97,743	5.4%	37.3%
240066	Lakeview Memorial	85	0.474	436,710	266,003	342,420	76,417	28.7%	78.4%

**Minnesota Department of Human Services
 Inpatient Rebasing APR-DRG Final Model for Rates Effective July 1, 2019
 Calendar Year 2016 DRG Model Data
 Provider Impact**

Rebasing Model January 17, 2020

Sorted by Payment Change

Medicare Provider Number	Hospital Name	CY 2016 Discharges	APR-DRG CMI (HSRV* Weights)	Estimated Costs	2016 Total Legacy System Payments	Simulated Payments Under 7.1.19 Rates	Payment Change H=G-F	Payment Change I=G/F-1	Rebasing Pay- to-Cost Ratio J=G/E
A	B	C	D	E	F	G	H=G-F	I=G/F-1	J=G/E
240053	Park Nicollet Methodist Hospital	1,098	0.543	7,805,881	5,238,600	5,310,511	71,911	1.4%	68.0%
240022	Sanford Regional Hospital Worthingto	235	0.383	1,312,315	799,314	853,428	54,114	6.8%	65.0%
240064	Grand Itasca Clinic And Hospital	167	0.310	631,524	367,802	416,311	48,509	13.2%	65.9%
240076	Buffalo Hospital	208	0.413	1,066,424	712,786	759,696	46,911	6.6%	71.2%
240014	Northfield City Hospital	113	0.345	552,025	315,443	360,860	45,417	14.4%	65.4%
240050	Fairview Lakes Regional Medical Ctr	238	0.364	1,310,520	725,219	767,771	42,552	5.9%	58.6%
354004	Prairie St. Johns	463	0.462	3,503,653	3,211,216	3,243,815	32,599	1.0%	92.6%
240084	Essentia Health Virginia	135	0.499	924,765	512,108	540,514	28,406	5.5%	58.4%
240044	Winona Health Services	211	0.398	1,293,981	783,383	809,125	25,742	3.3%	62.5%
430095	Avera Heart Hospital Of South Dakota	8	2.428	168,479	115,246	137,603	22,357	19.4%	81.7%
240043	Mchs - Albert Lea & Austin	531	0.343	3,324,756	1,581,803	1,603,514	21,711	1.4%	48.2%
240052	Lake Region Healthcare	216	0.437	1,421,363	857,531	873,812	16,281	1.9%	61.5%
243303	Shriners Hospitals For Children	4	1.242	65,405	34,136	42,347	8,212	24.1%	64.7%
430090	Sioux Falls Surgical Center	1	1.076	7,500	7,511	7,791	280	3.7%	103.9%
240059	Regina Hospital	68	0.423	378,317	253,188	250,871	(2,316)	-0.9%	66.3%
240166	Mayo Clinic Health System-Fairmont	77	0.335	411,525	210,178	205,383	(4,795)	-2.3%	49.9%
350070	Essentia Health - Fargo	310	0.812	3,370,332	1,922,800	1,870,024	(52,776)	-2.7%	55.5%
240018	Mayo Clinic Health System - Red Wing	94	0.387	604,057	359,720	306,444	(53,276)	-14.8%	50.7%
520004	Mchs Franciscan Healthcare Inc	36	0.562	321,828	231,985	171,778	(60,207)	-26.0%	53.4%
240115	Mercy Hospital	1,633	0.557	13,552,588	9,257,749	9,192,952	(64,798)	-0.7%	67.8%
430027	Sanford Usd Medical Center	186	1.244	2,054,994	1,848,108	1,778,608	(69,500)	-3.8%	86.6%
240020	Cambridge Medical Center	348	0.395	2,317,724	1,669,273	1,593,217	(76,056)	-4.6%	68.7%
240132	Unity Hospital	509	0.653	4,600,889	2,975,498	2,876,394	(99,104)	-3.3%	62.5%
350019	Altru Health System-Altru Hospital	394	0.640	3,466,505	2,104,557	1,956,794	(147,762)	-7.0%	56.4%
240213	Healtheast Woodwinds Hospital	455	0.451	2,354,332	1,981,969	1,807,787	(174,182)	-8.8%	76.8%
240106	Regions Hospital	2,524	0.737	30,473,345	25,260,265	25,041,930	(218,335)	-0.9%	82.2%
243300	Gillette Childrens Specialty Health	553	1.349	22,413,782	15,732,888	15,370,671	(362,217)	-2.3%	68.6%
354005	Red River / Rp Stadter Psych Center	89	0.392	456,120	979,025	461,440	(517,585)	-52.9%	101.2%
240080	UMMC Fairview	3,401	0.923	65,772,723	51,609,924	48,591,773	(3,018,151)	-5.8%	73.9%
240010	Mayo Clinic Hospital Rochester	2,137	1.091	42,111,966	30,193,898	24,942,573	(5,251,325)	-17.4%	59.2%
CY 2016 Analytical Dataset Total		44,696	0.726	\$ 545,985,106	\$ 391,163,304	\$ 404,854,020	\$ 13,690,716	3.5%	74.2%

Note: Provider totals summed up by Medicare ID in this schedule. As such, a general acute provider with a distinct part unit with separate NPIs would be combined.

* Hospital Specific Relative Value (HSRV)

**Minnesota Department of Human Services
 Inpatient Rebasing APR-DRG Final Model for Rates Effective July 1, 2019
 Calendar Year 2016 DRG Model Data
 Provider Impact**

Rebasing Model January 17, 2020

Hospital Name

Medicare Provider Number	Hospital Name	CY 2016 Discharges	APR-DRG CMI (HSRV Weights)	Estimated Costs	2016 Total Legacy System Payments	Simulated Payments Under 7.1.19 Rates	Payment Change H=G-F	Payment Change I=G/F-1	Rebasing Pay- to-Cost Ratio J=I/E
A	B	C	D	E	F	G	H=G-F	I=G/F-1	J=I/E
240057	Abbott Northwestern Hospital	2,555	0.665	\$25,966,586	\$14,135,961	\$18,625,607	\$4,489,646	31.8%	71.7%
350019	Altru Health System-Altru Hospital	394	0.640	3,466,505	2,104,557	1,956,794	(147,762)	-7.0%	56.4%
430095	Avera Heart Hospital Of South Dakota	8	2.428	168,479	115,246	137,603	22,357	19.4%	81.7%
430016	Avera Mckennan Hosp & Univ Hlth Ctr	238	0.623	1,905,756	1,037,086	1,461,432	424,346	40.9%	76.7%
240076	Buffalo Hospital	208	0.413	1,066,424	712,786	759,696	46,911	6.6%	71.2%
240020	Cambridge Medical Center	348	0.395	2,317,724	1,669,273	1,593,217	(76,056)	-4.6%	68.7%
240088	Carris Health (Rice Memorial Hospital)	479	0.380	3,650,828	1,743,015	2,234,380	491,364	28.2%	61.2%
243302	Childrens Hospitals & Clinics Of MN	2,507	1.305	69,729,139	64,498,542	65,185,853	687,311	1.1%	93.5%
240071	District One Hospital	194	0.346	890,166	497,528	609,277	111,748	22.5%	68.4%
240030	Douglas County Hospital	246	0.440	1,087,175	620,606	860,584	239,978	38.7%	79.2%
240101	Essentia Health - Detroit Lakes - St Marys	385	0.432	1,612,701	1,174,887	1,617,346	442,459	37.7%	100.3%
240019	Essentia Health - Duluth	390	0.562	5,934,775	2,857,855	3,305,211	447,356	15.7%	55.7%
350070	Essentia Health - Fargo	310	0.812	3,370,332	1,922,800	1,870,024	(52,776)	-2.7%	55.5%
240002	Essentia Health - St Marys Duluth	1,098	1.025	13,823,181	8,986,062	10,227,259	1,241,197	13.8%	74.0%
240075	Essentia Health -St Josephs (Brainerd)	401	0.525	2,994,346	1,925,739	2,168,022	242,283	12.6%	72.4%
240084	Essentia Health Virginia	135	0.499	924,765	512,108	540,514	28,406	5.5%	58.4%
240050	Fairview Lakes Regional Medical Ctr	238	0.364	1,310,520	725,219	767,771	42,552	5.9%	58.6%
240141	Fairview Northland Reg	165	0.367	832,811	492,285	591,326	99,041	20.1%	71.0%
240207	Fairview Ridges Hospital	777	0.517	6,099,350	3,341,065	3,601,636	260,570	7.8%	59.0%
240078	Fairview Southdale Hospital	703	0.691	8,112,082	4,207,536	5,095,154	887,618	21.1%	62.8%
240040	Fairview Univ Med Ctr (Hibbing)	291	0.402	2,252,676	1,304,688	1,639,712	335,024	25.7%	72.8%
243300	Gillette Childrens Specialty Health	553	1.349	22,413,782	15,732,888	15,370,671	(362,217)	-2.3%	68.6%
240064	Grand Itasca Clinic And Hospital	167	0.310	631,524	367,802	416,311	48,509	13.2%	65.9%
520087	Gundersen Lutheran Medical Center I	119	0.729	1,448,674	542,620	764,196	221,576	40.8%	52.8%
240210	Healtheast St Johns Hospital	1,066	0.456	5,990,129	3,694,866	4,557,164	862,298	23.3%	76.1%
240063	Healtheast St Josephs Hospital	763	0.711	9,099,265	5,211,860	6,923,527	1,711,667	32.8%	76.1%
240213	Healtheast Woodwinds Hospital	455	0.451	2,354,332	1,981,969	1,807,787	(174,182)	-8.8%	76.8%
240004	Hennepin County Medical Center	4,057	0.779	56,918,014	45,661,494	46,073,186	411,692	0.9%	80.9%
240187	Hutchinson Health Care	211	0.402	1,509,763	974,710	1,207,502	232,792	23.9%	80.0%
240052	Lake Region Healthcare	216	0.437	1,421,363	857,531	873,812	16,281	1.9%	61.5%
240066	Lakeview Memorial	85	0.474	436,710	266,003	342,420	76,417	28.7%	78.4%
240214	Maple Grove Hospital	884	0.445	3,993,888	3,286,801	3,722,298	435,497	13.2%	93.2%
240018	Mayo Clinic Health System - Red Wing	94	0.387	604,057	359,720	306,444	(53,276)	-14.8%	50.7%
240093	Mayo Clinic Health System Mankatko	727	0.517	5,286,197	2,729,293	3,499,877	770,584	28.2%	66.2%
240166	Mayo Clinic Health System-Fairmont	77	0.335	411,525	210,178	205,383	(4,795)	-2.3%	49.9%
240010	Mayo Clinic Hospital Rochester	2,137	1.091	42,111,966	30,193,898	24,942,573	(5,251,325)	-17.4%	59.2%
240043	Mchs - Albert Lea & Austin	531	0.343	3,324,756	1,581,803	1,603,514	21,711	1.4%	48.2%
520004	Mchs Franciscan Healthcare Inc	36	0.562	321,828	231,985	171,778	(60,207)	-26.0%	53.4%
240115	Mercy Hospital	1,633	0.557	13,552,588	9,257,749	9,192,952	(64,798)	-0.7%	67.8%

**Minnesota Department of Human Services
 Inpatient Rebasing APR-DRG Final Model for Rates Effective July 1, 2019
 Calendar Year 2016 DRG Model Data
 Provider Impact**

Rebasing Model January 17, 2020

Hospital Name

Medicare Provider Number	Hospital Name	CY 2016 Discharges	APR-DRG CMI (HSRV Weights)	Estimated Costs	2016 Total Legacy System Payments	Simulated Payments Under 7.1.19 Rates	Payment Change H=G-F	Payment Change I=G/F-1	Rebasing Pay- to-Cost Ratio J=I/E
A	B	C	D	E	F	G	H=G-F	I=G/F-1	J=I/E
240001	North Memorial Health Care	1,610	0.885	21,146,806	12,958,504	14,919,202	1,960,698	15.1%	70.6%
240014	Northfield City Hospital	113	0.345	552,025	315,443	360,860	45,417	14.4%	65.4%
240006	Olmsted Medical Center	357	0.282	1,264,742	901,694	1,116,360	214,666	23.8%	88.3%
240069	Owatonna Hospital	277	0.385	1,925,062	1,127,563	1,279,072	151,510	13.4%	66.4%
240053	Park Nicollet Methodist Hospital	1,098	0.543	7,805,881	5,238,600	5,310,511	71,911	1.4%	68.0%
354004	Prairie St. Johns	463	0.462	3,503,653	3,211,216	3,243,815	32,599	1.0%	92.6%
244016	Prairiecare	255	0.412	5,100,780	1,807,253	1,904,996	97,743	5.4%	37.3%
354005	Red River / Rp Stadter Psych Center	89	0.392	456,120	979,025	461,440	(517,585)	-52.9%	101.2%
240059	Regina Hospital	68	0.423	378,317	253,188	250,871	(2,316)	-0.9%	66.3%
240106	Regions Hospital	2,524	0.737	30,473,345	25,260,265	25,041,930	(218,335)	-0.9%	82.2%
240056	Ridgeview Medical Center	302	0.470	2,084,994	833,527	1,299,735	466,208	55.9%	62.3%
240100	Sanford Bemidji	986	0.602	6,181,447	4,201,285	4,812,940	611,655	14.6%	77.9%
350011	Sanford Medical Center - Fargo	829	1.138	12,558,634	6,850,258	8,147,215	1,296,957	18.9%	64.9%
240022	Sanford Regional Hospital Worthingto	235	0.383	1,312,315	799,314	853,428	54,114	6.8%	65.0%
430027	Sanford Usd Medical Center	186	1.244	2,054,994	1,848,108	1,778,608	(69,500)	-3.8%	86.6%
243303	Shriners Hospitals For Children	4	1.242	65,405	34,136	42,347	8,212	24.1%	64.7%
430090	Sioux Falls Surgical Center	1	1.076	7,500	7,511	7,791	280	3.7%	103.9%
240104	St Francis Regional Medical Center (Shakopee)	433	0.454	3,016,345	1,527,205	1,701,820	174,615	11.4%	56.4%
240036	St. Cloud Hospital	2,487	0.734	23,647,859	16,039,740	18,302,979	2,263,240	14.1%	77.4%
240047	St. Lukes Hospital Of Duluth	649	0.683	6,459,282	4,461,402	4,592,907	131,505	2.9%	71.1%
240080	UMMC Fairview	3,401	0.923	65,772,723	51,609,924	48,591,773	(3,018,151)	-5.8%	73.9%
240038	United Hospital	1,728	0.558	14,975,324	9,411,248	10,318,087	906,839	9.6%	68.9%
240132	Unity Hospital	509	0.653	4,600,889	2,975,498	2,876,394	(99,104)	-3.3%	62.5%
240044	Winona Health Services	211	0.398	1,293,981	783,383	809,125	25,742	3.3%	62.5%
CY 2016 Analytical Dataset Total		44,696	0.726	\$ 545,985,106	\$ 391,163,304	\$ 404,854,020	\$ 13,690,716	3.5%	74.2%

Note: Provider totals summed up by Medicare ID in this schedule. As such, a general acute provider with a distinct part unit with separate NPIs would be combined.

Minnesota Department of Human Services
 Inpatient Rebasing APR-DRG Final Model for Rates Effective July 1, 2019
 Calendar Year 2016 DRG Model Data
System Impact

Rebasing Model January 17, 2020

Sorted by Payment Change

Provider System	CY 2016 Discharges	Estimated Costs	2016 Total Legacy System Payments	Simulated Payments Under 7.1.19 Rates	Payment Change	Payment Change	Rebasing Pay-to-Cost Ratio
A	B	C	D	E	F = E-D	G = (E/D)-1	H = E/C
Allina	7,953	\$68,689,424	\$41,568,000	\$47,206,994	\$5,638,994	13.6%	68.7%
Centracare	2,966	27,298,687	17,782,755	20,537,359	2,754,604	15.5%	75.2%
North Memorial	2,494	25,140,694	16,245,305	18,641,500	2,396,195	14.8%	74.1%
Essentia	2,719	28,660,100	17,379,451	19,728,376	2,348,925	13.5%	68.8%
Sanford	2,236	22,107,390	13,698,964	15,592,190	1,893,226	13.8%	70.5%
Fairview	8,026	102,455,411	72,937,214	73,992,160	1,054,947	1.4%	72.2%
Childrens	2,507	69,729,139	64,498,542	65,185,853	687,311	1.1%	93.5%
Ridgeview	302	2,084,994	833,527	1,299,735	466,208	55.9%	62.3%
Avera	246	2,074,235	1,152,332	1,599,035	446,702	38.8%	77.1%
HCMC	4,057	56,918,014	45,661,494	46,073,186	411,692	0.9%	80.9%
Healthpartners	3,918	40,225,700	31,739,578	31,902,363	162,785	0.5%	79.3%
St Lukes	649	6,459,282	4,461,402	4,592,907	131,505	2.9%	71.1%
UHS	463	3,503,653	3,211,216	3,243,815	32,599	1.0%	92.6%
Lake Region	216	1,421,363	857,531	873,812	16,281	1.9%	61.5%
Closed Ip Nov 18	4	65,405	34,136	42,347	8,212	24.1%	64.7%
X-None	1,944	33,624,779	21,690,424	21,656,024	(34,400)	-0.2%	64.4%
Altru	394	3,466,505	2,104,557	1,956,794	(147,762)	-7.0%	56.4%
MCHS	3,602	52,060,330	35,306,877	30,729,569	(4,577,308)	-13.0%	59.0%
CY 2016 Analytical Dataset Total	44,696	\$ 545,985,106	\$ 391,163,304	\$ 404,854,020	\$ 13,690,716	3.5%	74.2%

**Minnesota Department of Human Services
 Inpatient Rebasing APR-DRG Final Model for Rates Effective July 1, 2019
 Calendar Year 2016 DRG Model Data
 System Payment Breakout**

Rebasing Model January 17, 2020

Sorted by System Name

Simulated Payments Under New APR-DRG System

Provider System	CY 2016 Discharges	Base DRG Payments	Outlier Payments	DSH Payments	Newborn Add-on Payments	Impact of Charge Cap	Total Payments Under 7.1.19 Rates
Allina	7,953	\$44,819,254	\$742,544	\$2,075,402	\$39,920	(\$470,126)	\$47,206,994
Altru	394	1,967,507	2,497	-	2,380	(15,589)	1,956,794
Avera	246	1,624,838	-	-	480	(26,283)	1,599,035
Centracare	2,966	18,892,496	535,286	1,535,561	16,320	(442,303)	20,537,359
Childrens	2,507	28,606,003	7,386,196	31,241,229	6,980	(2,054,555)	65,185,853
Closed Ip Nov 18	4	42,347	-	-	-	-	42,347
Essentia	2,719	18,057,239	576,972	1,576,229	11,320	(493,384)	19,728,376
Fairview	8,026	56,757,333	6,403,365	11,774,558	37,100	(980,195)	73,992,160
HCMC	4,057	32,255,655	1,378,649	13,019,839	10,660	(591,617)	46,073,186
Healthpartners	3,918	26,483,956	539,206	5,218,853	16,260	(355,912)	31,902,363
Lake Region	216	872,512	-	-	1,300	-	873,812
MCHS	3,602	28,350,019	2,709,585	233,876	17,140	(581,051)	30,729,569
North Memorial	2,494	17,569,700	388,255	840,432	13,580	(170,467)	18,641,500
Ridgeview	302	1,308,813	-	-	2,400	(11,477)	1,299,735
Sanford	2,236	14,960,276	317,892	379,737	11,480	(77,194)	15,592,190
St Lukes	649	4,375,943	133,512	211,042	2,180	(129,770)	4,592,907
UHS	463	3,312,849	14,814	-	-	(83,848)	3,243,815
X-None	1,944	12,491,013	2,237,299	7,043,311	8,520	(124,119)	21,656,024
CY 2016 Analytical Dataset Total	44,696	\$ 312,747,750	\$ 23,366,072	\$ 75,150,069	\$ 198,020	\$ (6,607,891)	\$ 404,854,020

**Minnesota Department of Human Services
 Inpatient Rebasing APR-DRG Final Model for Rates Effective July 1, 2019
 Calendar Year 2016 DRG Model Data
Severity of Illness (SOI) Impact**

Rebasing Model January 17, 2020

Sorted by Severity of Illness (SOI)

SOI	SOI Description	CY 2016 Discharges	Estimated Costs	2016 Total Legacy System Payments	Simulated Payments Under 7.1.19 Rates	Payment Change	Rebasing #2 Pay-to-Cost Ratio
A	B	C	D	E	F	G=F/E-1	H=F/D
1	Minor	16,019	\$81,613,053	\$51,755,924	\$63,835,903	23.3%	78.2%
2	Moderate	16,460	154,813,232	102,567,732	114,265,689	11.4%	73.8%
3	Major	8,947	140,841,410	101,178,497	101,382,348	0.2%	72.0%
4	Extreme	3,270	168,717,411	135,661,152	125,370,081	-7.6%	74.3%
CY 2016 Analytical Dataset Total		44,696	\$ 545,985,106	\$ 391,163,304	\$ 404,854,020	3.5%	74.2%

Minnesota Department of Human Services
 Inpatient Rebasing APR-DRG Final Model for Rates Effective July 1, 2019
 Calendar Year 2016 DRG Model Data
Severity of Illness (SOI) Payment Breakout

Rebasing Model January 17, 2020

Sorted by SOI

Simulated Payments Under New APR-DRG System

SOI	SOI Description	CY 2016 Discharges	Base DRG Payments	Outlier Payments	DSH Payments	Newborn Add-on Payments	Impact of Charge Cap	Total Payments Under 7.1.19 Rates
1	Minor	16,019	\$55,809,428	\$231,237	\$8,541,612	\$129,960	(\$876,335)	\$63,835,903
2	Moderate	16,460	\$95,755,387	\$1,797,065	\$18,580,837	\$44,400	(\$1,912,001)	\$114,265,689
3	Major	8,947	\$79,344,028	\$3,651,553	\$19,753,116	\$20,300	(\$1,386,650)	\$101,382,348
4	Extreme	3,270	\$81,838,907	\$17,686,216	\$28,274,504	\$3,360	(\$2,432,906)	\$125,370,081
CY 2016 Analytical Dataset Total		44,696	\$ 312,747,750	\$ 23,366,072	\$ 75,150,069	\$ 198,020	(\$6,607,891)	\$ 404,854,020