Hospital Reimbursement Components

December 28, 2017

MEMORANDUM

Updates to Hospital Reimbursement Components Effective Jan. 1

The Illinois Dept. of Healthcare and Family Services (HFS) will not be updating grouper versions on Jan. 1, 2018 and will continue to utilize Grouper Version 33 of the 3M All Patient Refined Diagnosis Related Group (APR-DRG) payment system for inpatient claims and Grouper Version 3.11 of the Enhanced Ambulatory Patient Groups (EAPG) for outpatient claims.

HFS is updating components of the inpatient reimbursement system including the Medicare Inpatient Prospective Payment System (IPPS) labor share percentage, the Medicare IPPS wage index and the Medicare IPPS outlier cost-to-charge ratios. These updates will affect the base rates assigned to individual hospitals reimbursed under the APR-DRG grouper.

Effective with dates of service on or after Jan. 1, 2018, HFS is updating the Medicare IPPS wage index used in calculating the outpatient EAPG base rates.

The department is in the process of finalizing new hospital rate sheets as well as new inpatient and outpatient calculators. HFS will issue a notice when these resources have been posted along with a link to where they can be accessed on the department’s website.

Please review the provider notice for further details.

Questions may be directed to the Department of Healthcare and Family Services, Bureau of Rate Development and Analysis, at 217-785-0710.