



STATE OF NEW HAMPSHIRE  
DEPARTMENT OF HEALTH AND HUMAN SERVICES  
OFFICE OF MEDICAID SERVICES

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MEMORANDUM

**TO:** IN-STATE and BORDER HOSPITALS  
**FROM:** New Hampshire Medicaid  
**DATE:** October 2020  
**SUBJECT:** DRG REPRICING-Point Rate Changes

New DRG relative weight and mean lengths of stay values were published in the September 18, 2020 edition of the Federal Register. This data will be used for calculating DRG allowed amounts for inpatient claims with dates of discharge between October 1, 2020 and September 30, 2021.

The DRG point rates remain effective as of October 1, 2020. Please refer to page two (2) of this notice. The Trim Points effective April 1, 2010 will remain unchanged for FFY 2021. Additionally, new DRG grouper software has been installed to reflect changes in DRG classification and changes to ICD-10-CM diagnosis and procedure codes that are also effective October 1, 2020. **Failure to submit claims using the current diagnosis and procedure codes may cause the claim to group to an incorrect DRG and, therefore, pay incorrectly. Please refer to a current version of the ICD-10 Manual for added, deleted, and revised diagnosis and procedure codes.**

Attached please find a copy of the DRG pricing methodology. The new DRG Relative Weight/Price Table for Federal Fiscal Year 2021 can be found at the NH MMIS Health Enterprise, [www.nhmmis.nh.gov](http://www.nhmmis.nh.gov). Click on the Documents and Forms quick links and then scroll to the Fee Schedule section.

If you have any questions or concerns regarding this Important Notice, New Hampshire Provider Relations is available to answer your questions between the hours of 8:00 AM and 5:00 PM, Monday through Friday at (603) 223-4774 or (866) 291-1674 Toll Free.



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DRG Notification Memo  
PGM-REF-L001

**DRG PRICING LOGIC**

INPATIENT HOSPITAL CLAIMS ARE PRICED WITH DRG REIMBURSEMENT LOGIC WITH RATES EFFECTIVE ON DATE OF DISCHARGE.

**1. DETERMINE POINT RATE AND PEER GROUP CODE.**

LOCATED ON THE PROVIDER ACCOMODATION RATE FILE IS A SEGMENT WITH ACCOMODATION TYPE 5. THIS SEGMENT IS USED TO DETERMINE THE DRG PRICING. THE FOLLOWING POINT RATES ARE EFFECTIVE WITH DISCHARGE DATES AS OF 10/01/2020.

<u>HOSPITAL TYPE</u>	<u>PROVIDER</u>	<u>PG CODE</u>	<u>POINT RATE</u> <u>10/01/2020</u>
GENERAL	(in state)	01	\$2,920.67
	(out of state, not border)	07	\$2,920.67
CAH	(in state)	01	\$3,245.19
DPU-PSYCH	Frisbie Mem	02	\$3,210.54
	Concord		
	Lakes Region		
	Cheshire Med		
	Mary Hitchcock Memorial Hospital Psych		
	Southern NH Regional Medical Center		
	Springfield Hospital		
	Portsmouth Pavilion		
	Elliot		
	Parkland		
DPU-REHAB	St. Joseph	03	\$14,964.94
	Cheshire Med		
	HealthSouth		
	Northeast Rehab		
	Catholic Medical Center		



DRF	Elliot	06	\$14,400.00
	Franklin		
Inpatient Maternity and newborn services for COOS County	Androscoggin Valley Hospital	08	\$3,245.19

**2. THE SYSTEM DRG GROUPEE WILL CALCULATE A DRG CODE FROM THE CLAIM INFORMATION:**

- DIAGNOSIS CODE
- PROCEDURE CODE
- SEX
- AGE
- PATIENT STATUS
- LENGTH OF STAY

**3. DETERMINE THE DRG RELATIVE WEIGHT**

*GO TO THE DRG DATABASE (RFDG), LOCATE THE CALCULATED DRG CODE AND PEER GROUP CODE*

**4. CALCULATE THE DRG GROUPEE ALLOWED**

*POINT RATE X RELATIVE WEIGHT = DRG GROUPEE ALLOWED*

**5. CALCULATE ANY OUTLIER DAYS**

*DAYS BILLED - TRIMPOINT DAYS = OUTLIER DAYS*

**6. CALCULATE OUTLIER AMOUNT**

*LOCATE OUTLIER PER DIEM ON THE DRG TABLE*  
*OUTLIER DAYS X OUTLIER PER DIEM = OUTLIER AMOUNT*  
*REDUCE OUTLIER AMOUNT TO 60%*  
*OUTLIER AMOUNT X .60 = DRG OUTLIER AMOUNT*

**7. CALCULATE THE DRG ALLOWED AMOUNT**

*DRG GROUPEE ALLOWED + DRG OUTLIER AMOUNT = DRG ALLOWED AMOUNT*

**8. CALCULATE THE MEDICAID REIMBURSEMENT**

*MULTIPLY THE DRG ALLOWED AMOUNT BY THE INPATIENT PERCENT REIMBURSEMENT LOCATED ON THE PROVIDER/REIMBURSEMENT DATABASE (PRRM).*  
*DRG ALLOWED AMOUNT X INPATIENT % = REIMBURSEMENT*

**\*\*\*WHEN THE PATIENT STATUS IS EQUAL TO 02 (TRANSFER), OR 14 OR 15, (NOT ELIGIBLE FOR PORTION OF STAY) THEN THE ENTIRE CLAIM IS PAID AT THE OUTLIER PER DIEM X 100%, NOT TO EXCEED THE DRG ALLOWED AMOUNT.**

**\*\*\*NEONATAL DRGS 789 THROUGH 794 ARE REIMBURSED ON A PER DIEM BASIS OF 65% OF THE FULL OUTLIER AMOUNT.**

**\*\*\*REHAB DRG's ARE PAID A FLAT REIMBURSEMENT PER DISCHARGE WITH NO OUTLIERS ALLOWED.**

