

South Carolina
DEPARTMENT OF HEALTH AND HUMAN SERVICES
Post Office Box 8206
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www.scdhhs.gov

October 17, 2007

MEDICAID BULLETIN

<i>HMO</i>	<i>07-20</i>
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TO: Hospital Providers

SUBJECT: Program Updates

The South Carolina Department of Health and Human Services (SCDHHS) will implement changes to Inpatient and Outpatient payment rates effective October 1, 2007. Hospital Chief Financial Officers have been sent copies of the rate changes along with the Fact Sheet that provides a complete description of all components used to establish these adjustments. Program changes are listed below:

- Inpatient payments will be paid based on the discharge date instead of the admission date. This is being done in order to achieve consistency with Medicare and other payer programs.
- SCDHHS will not implement the new Medicare MS-DRG Grouper effective October 1, 2007. Inpatient hospital claims with discharge dates beginning on or after this date will be grouped and paid using DRG Grouper Version 24. The October 1, 2007, relative weights are established using DRG Grouper Version 24 and SFY 2005-06 Medicaid incurred claims data.
- The minimum cost outlier threshold has increased from \$10,000.00 to \$30,000.00. The day outlier threshold for each per discharge DRG has been updated based upon SFY 2005-06 incurred claims data.
- The add-on payment to inpatient hospital claims for Newborn Hearing Screenings will be discontinued.
- The Outpatient Fee Schedule has been updated to reflect an estimated baseline of 95% of allowable outpatient costs using FY 2005 Hospital Cost reporting.

All program changes will be reflected in the November 2007 Hospital Provider Manuals and posted to our website at www.scdhhs.gov.

Administrative Days

In June 2007, CMS approved new rates for Administrative Days. Effective October 1, 2006, the per diem rate for regular room and board is \$144.07. The rate for patients that are ventilator dependent is \$215.00. Claims for date of service on or after October 1, 2006, that have been submitted and paid will be adjusted up to the approved rates.

If you have any questions regarding these changes, please contact your Program Representative for Hospital Services at (803) 898-2665. Thank you for your continued support of the South Carolina Medicaid program.

/s/

Emma Forkner
Director

EF/mgvb

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