Minnesota Department of Human Services
Inpatient APR-DRG Payment Simulation Model
APR-DRG Model Components

Inpatient Model - Incorporates New DSH Factors and Policy Adjuster Changes	
Design Component	**Description**
Model claims data	Calendar year (CY) 2012 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, 014 or 073 Medicare dual eligibles, major program codes that are not EH or MA, diagnosis related group (DRG) claims that do not fit into typical groups, long-term acute care (LTAC) claims, rehabilitation provider claims, $0 paid claims, critical access hospital (CAH) claims and out-of-state non-LTA provider claims.
DRG classification version	3M APR-DRG (All-Patient Refined-Diagnosis Related Group) version 31.(3M developed and owns the grouper)
Proposed new system target expenditures	New inpatient system funding pool based on CY 2012 claim allowed amounts, including readmission reductions, with adjustments to reflect the current payment system before 10% ratable adjustment effective 11/1/2014.
DRG base rates	• Based on statewide standardized amount of $5,376.02 with labor portion adjusted by federal fiscal year (FFY) 2014 Medicare Inpatient Prospective Payment System (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 31 APR-DRG "standard" national weights.
Simulated new system base payments	Calculated by multiplying the DRG base rate by the DRG relative weight.
Simulated new system outlier payments	Calculated using the following: • Claim outlier threshold equal to base DRG payment plus $70,000 fixed loss threshold • Claim outlier costs calculated by multiplying claim charges by FFY 2012 Medicare outlier cost to charge ratios (CCRs). • Claim outlier payment calculated based on 50% of outlier costs exceeding outlier threshold for all DRGs.
Simulated new system transfer payments	• Based on the Medicare IPPS prorated standard transfer methodology for discharge status of 02, 05, and 65. • Transfer payment equal to the DRG base payment divided by the DRG average length of stay, multiplied by one plus the claim length of stay (up to the full DRG base payment). • DRG average length of stay based on the 3M national average length of stay.
Simulated new system DSH payments	Calculated by multiplying the sum of the base payments and outlier payments by revised disproportionate payment adjustment (DPA) factors. Revised DPA factors applied for in-state hospitals meeting one of the following criteria: • Children's providers • Psychiatric contract beds • Major transplant providers • High MA volume providers

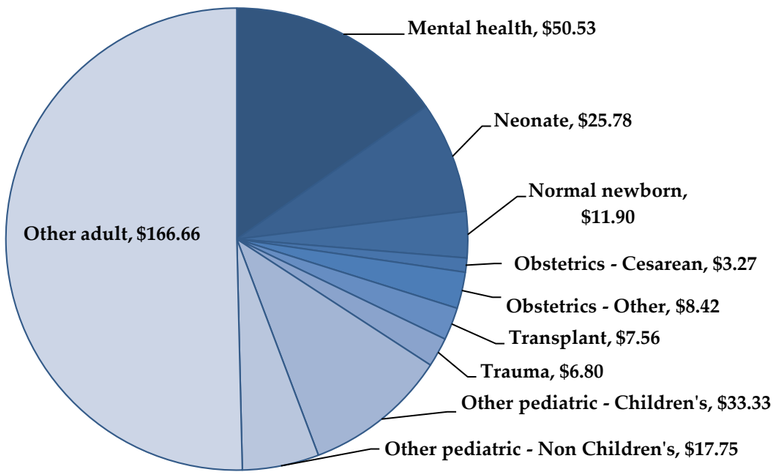
Design Component	Description
Simulated new system assessment payments	Calculated as: (Base payment + outlier payment + DSH payment – third party liability (TPL) payment - Patient liability) * 2%
New system policy adjusters	• Temporary mental health DRG policy adjusters for severity of illness (SOI) levels 1/2/3/4 are 2.25/2.05/1.70/1.55 to achieve at least statewide average cost coverage. • Temporary "Other Pediatric" policy adjuster is 1.15. • Non-metro provider APR-DRG 560 policy adjuster of 1.35, set to make the DRG budget neutral for these providers. • $20 newborn screening add-on. • $3,528 payment limit applied for Cesarean section DRG 540 claims (before DSH).
Estimated costs (standardized)	Based on estimated cost of CY 2012 cases calculated at the detail line level by applying cost center-specific CCRs to ancillary revenue code charges and cost per diems to routine revenue code days. CCRs and cost per diems calculated for standard cost centers from hospital Medicare cost report data extracted from the Healthcare Cost Report Information System (HCRIS) dataset. CCRs and cost per diems crosswalked to Medicaid claim detail line revenue codes based on a statewide standardized crosswalk. Default CCRs and per diems used for providers without the cost center specified in the revenue code crosswalk. *Note that using a provider-specific revenue code crosswalk would result in different cost estimates from those shown in this analysis.*

Minnesota Department of Human Services
Inpatient APR-DRG Payment Simulation Model
Policy Adjuster Category Impact Summary

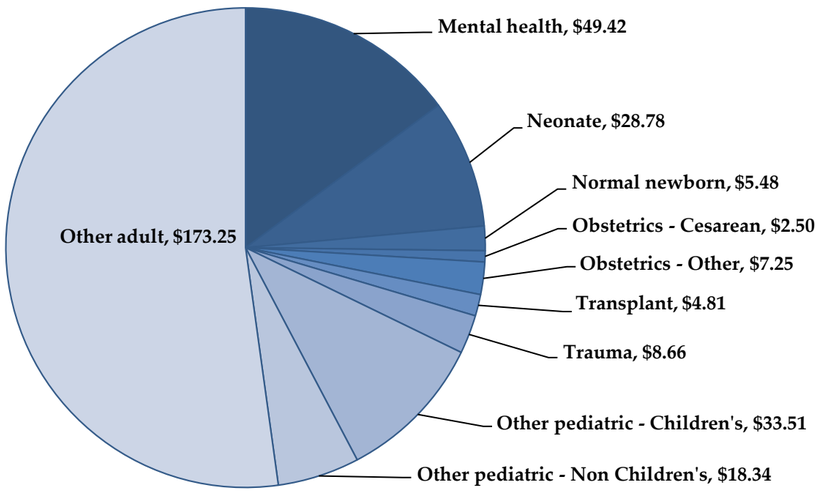
Final DRG Model Effective July 1, 2015

Policy Adjuster Categories	Calendar Year 2012 DRG Model FFS Claims Data					Simulated Payments Under New APR-DRG System - Before Ratable Adjustment and Transition					
	CY 2012 Discharges	APR-DRG CMI	Estimated Cost (Standardized)[1]	Total Legacy System Payments	Legacy System Estimated Pay-to-Cost Ratio	Temporary Policy Adjuster	Simulated New System Payments	New System Estimated Pay to Cost Ratio	Estimated Payment Change	Estimated Payment Change Percentage	Policy Adjuster Comment
	A	B	C	D	E=D/C	F	G	H=G/C	I=H-D	J=I/D	K
1. Mental Health:											
SOI level 1	2,810	0.388	$ 21,300,047	$ 18,508,410	86.9%	2.25	$ 16,007,108	75.2%	$ (2,501,302)	-13.5%	
SOI level 2	3,512	0.550	39,839,814	27,438,590	68.9%	2.05	26,938,362	67.6%	(500,228)	-1.8%	
SOI level 3	469	0.835	6,428,802	3,552,341	55.3%	1.70	4,441,455	69.1%	889,115	25.0%	
SOI level 4	101	1.700	2,958,844	1,030,948	34.8%	1.55	2,028,306	68.6%	997,358	96.7%	
Mental Health Total	6,892	0.520	$ 70,527,507	$ 50,530,289	71.6%		$ 49,415,232	70.1%	$ (1,115,058)	-2.2%	
2. Neonate	1,113	2.475	$ 35,438,311	$ 25,784,466	72.8%	1.00	$ 28,778,730	81.2%	$ 2,994,265	11.6%	
3. Normal newborn	6,651	0.125	15,711,297	10,706,500	68.1%	1.00	5,478,755	34.9%	(5,227,745)	-48.8%	$5 screening add-on
4. Obstetrics - Cesarean	707	0.643	6,410,099	3,273,070	51.1%	1.00	2,501,915	39.0%	(771,155)	-23.6%	Payment limit of $3,528 before DSH
5. Obstetrics - all other services	2,987	0.362	15,258,749	8,419,059	55.2%	Non-Metro: 1.35	7,247,522	47.5%	(1,171,536)	-13.9%	Applied to non-metro DRG 560 only
6. Transplant	50	9.588	7,176,887	7,555,708	105.3%	1.00	4,811,463	67.0%	(2,744,245)	-36.3%	
7. Trauma	464	2.443	12,063,225	6,795,420	56.3%	1.00	8,657,574	71.8%	1,862,154	27.4%	
8. Other pediatric DRGs - Children's providers	1,854	1.276	34,694,764	33,326,246	96.1%	1.15	33,513,328	96.6%	187,082	0.6%	Age 17 and under; excludes above categories
9. Other pediatric DRGs - Non-children's providers	2,186	1.002	24,221,647	17,752,111	73.3%	1.15	18,343,753	75.7%	591,642	3.3%	Age 17 and under; excludes above categories
10. Other adult DRGs	20,001	1.264	280,509,947	166,658,586	59.4%	1.00	173,250,792	61.8%	6,592,206	4.0%	
CY 2012 Analytical Dataset Total	**42,905**	**0.936**	**$ 502,012,433**	**$ 330,801,455**	**65.9%**		**$ 331,999,064**	**66.1%**	**$ 1,197,609**	**0.4%**	

Current System Payments - $330.8 (in millions)



New System Payments - $332 (in millions)



Note: (1) Estimated costs are based on a statewide standardized revenue code crosswalk; using a provider-specific revenue code crosswalk would result in different cost estimates from those shown in this analysis.

Minnesota Department of Human Services
Inpatient APR-DRG Payment Simulation Model
Provider Impact Range Summary

Final DRG Model Effective July 1, 2015

Estimated Payment Change Range	Calendar Year 2012 DRG Model FFS Claims Data						Simulated Payments Under New APR-DRG System - Before Ratable Adjustment and Transition			
	Number of Providers[1]	CY 2012 Discharges	APR-DRG CMI	Estimated Cost (Standardized)[2]	Total Legacy System Payments	Legacy System Estimated Pay-to-Cost Ratio	Simulated New System Payments	New System Estimated Pay to Cost Ratio	Estimated Payment Change	Estimated Payment Change Percentage
	A	B	C	D	E	F=E/D	G	H=G/D	I=G-E	J=I/E
Metro-Area Providers:										
25%+ Increase	8	4,272	0.936	$ 47,137,078	$ 23,131,261	49.1%	$ 30,417,039	64.5%	$ 7,285,778	31.5%
15% - 25% Increase	3	3,250	1.008	32,666,106	17,902,513	54.8%	21,299,540	65.2%	3,397,027	19.0%
5% - 15% Increase	5	4,638	1.001	48,801,313	26,582,483	54.5%	29,334,520	60.1%	2,752,037	10.4%
5% Decrease - 5% Increase	10	13,571	1.121	211,159,451	161,982,375	76.7%	159,735,825	75.6%	(2,246,550)	-1.4%
5% - 15% Decrease	9	7,723	0.838	78,119,727	52,169,483	66.8%	47,587,634	60.9%	(4,581,849)	-8.8%
15% - 25% Decrease	5	3,218	1.063	47,266,250	28,226,876	59.7%	23,367,990	49.4%	(4,858,886)	-17.2%
25%+ Decrease	2	92	0.536	1,078,522	796,285	73.8%	428,029	39.7%	(368,256)	-46.2%
Metro Subtotal	**42**	**36,764**	**1.008**	**466,228,447**	**310,791,275**	**66.7%**	**312,170,578**	**67.0%**	**1,379,302**	**0.4%**
Non-Metro Providers:										
25%+ Increase	0	-		$ -	$ -	N/A	$ -	N/A	$ -	N/A
15% - 25% Increase	4	1,464	0.585	8,580,311	4,527,955	52.8%	5,456,923	63.6%	928,968	20.5%
5% - 15% Increase	1	1,123	0.586	5,713,339	3,370,483	59.0%	3,631,462	63.6%	260,979	7.7%
5% Decrease - 5% Increase	3	444	0.479	2,842,057	1,417,521	49.9%	1,405,445	49.5%	(12,075)	-0.9%
5% - 15% Decrease	8	2,108	0.449	13,264,700	7,413,405	55.9%	6,681,297	50.4%	(732,109)	-9.9%
15% - 25% Decrease	7	1,002	0.410	5,383,579	3,280,815	60.9%	2,653,359	49.3%	(627,456)	-19.1%
25%+ Decrease	0	-		-	-	N/A	-	N/A	-	N/A
Non-Metro Subtotal	**23**	**6,141**	**0.502**	**35,783,986**	**20,010,180**	**55.9%**	**19,828,487**	**55.4%**	**(181,693)**	**-0.9%**
CY 2012 Analytical Dataset Total	**65**	**42,905**	**0.936**	**$ 502,012,433**	**$ 330,801,455**	**65.9%**	**$ 331,999,064**	**66.1%**	**$ 1,197,609**	**0.4%**

Notes:
1. Provider counts based on unique Medicare provider numbers. As such a general acute provider with a distinct part unit would count as one provider in this summary.
2. Estimated costs are based on a statewide standardized revenue code crosswalk; using a provider-specific revenue code crosswalk would result in different cost estimates from those shown in this analysis.

Minnesota Department of Human Services
Inpatient APR-DRG Payment Simulation Model
Provider Impact - Transition Year 1 (SFY 2015)

Final DRG Model Effective July 1, 2015

Sorted by Payment Change % Before Transition and Ratable Adjustment

		Calendar Year 2012 DRG Model Data						Estimated Impact - Before Ratable Adjustment and Transition			
Medicare Provider Number [1]	Hospital Name	CY 2012 Discharges	APR-DRG Case Mix - Unadjusted	APR-DRG Case Mix - With Policy Adjustments	Estimated Cost (Standardized)[2]	Current System Payments	Legacy System Estimated Pay-to-Cost Ratio	New System Simulated Payments	New System Estimated Pay to Cost Ratio	Estimated Payment Change	Estimated Payment Change Percentage
		A	B	C	D	E	F=E/D	G	H=G/D	I=G-E	J=I/E
240196	Phillips Eye Institute	2	0.910	0.980	$ 28,424	$ 4,267	15.0%	$ 11,453	40.3%	$ 7,186	168.4%
430016	Avera Mckennan Hospital & University Health Center	251	1.007	1.279	2,419,105	1,012,207	41.8%	1,582,173	65.4%	569,966	56.3%
520087	Gundersen Luth Med Ctr	109	1.526	1.586	1,672,357	663,200	39.7%	954,884	57.1%	291,684	44.0%
240019	SMDC Medical Center	576	0.624	1.068	5,544,617	3,286,232	59.3%	4,503,573	81.2%	1,217,342	37.0%
240063	St. Joseph's Hospital	963	0.862	1.035	10,130,431	5,419,316	53.5%	7,361,504	72.7%	1,942,188	35.8%
240056	Ridgeview Medical Center	220	0.676	0.680	1,423,555	631,938	44.4%	832,674	58.5%	200,735	31.8%
430095	Avera Heart Hospital Of South Dakota Llc	10	3.968	3.968	249,121	138,733	55.7%	177,887	71.4%	39,154	28.2%
240057	Abbott Northwestern Hospital Inc	2,141	1.028	1.155	25,669,470	11,975,368	46.7%	14,992,891	58.4%	3,017,523	25.2%
240093	Immanuel-St Joseph's-Mayo Health System	700	0.684	0.760	4,878,652	2,478,715	50.8%	3,080,487	63.1%	601,772	24.3%
350011	Sanford Medical Center Fargo	954	1.228	1.281	10,607,169	5,510,126	51.9%	6,782,397	63.9%	1,272,271	23.1%
240078	Fairview Southdale Hospital	581	0.930	1.022	5,809,588	3,106,057	53.5%	3,696,661	63.6%	590,604	19.0%
240030	Douglas County Hospital	186	0.693	0.712	1,215,283	579,178	47.7%	677,779	55.8%	98,601	17.0%
240036	St. Cloud Hospital	1,715	0.913	0.995	16,249,348	9,286,331	57.1%	10,820,483	66.6%	1,534,152	16.5%
240141	Fairview Northland Regional Hospital	162	0.469	0.482	842,652	482,142	57.2%	558,319	66.3%	76,177	15.8%
240101	St. Mary's Regional Health Center	416	0.415	0.441	1,643,724	987,920	60.1%	1,140,339	69.4%	152,419	15.4%
240001	North Memorial Health Care	1,909	1.148	1.213	23,264,307	12,705,389	54.6%	14,197,201	61.0%	1,491,812	11.7%
240040	University Medical Center-Mesabi/ Mesaba Clinics	319	0.522	0.725	2,428,578	1,211,030	49.9%	1,332,364	54.9%	121,334	10.0%
240002	St. Mary's Medical Center	1,168	1.156	1.174	12,634,600	7,606,274	60.2%	8,324,757	65.9%	718,483	9.4%
240210	Healtheast St. John's Hospital	987	0.670	0.674	7,539,965	3,718,767	49.3%	4,050,822	53.7%	332,055	8.9%
240100	North Country Regional Hospital	1,123	0.586	0.612	5,713,339	3,370,483	59.0%	3,631,462	63.6%	260,979	7.7%
350019	Altru Hospital	255	1.066	1.096	2,933,863	1,341,022	45.7%	1,429,375	48.7%	88,353	6.6%
243300	Gillette Childrens Specialty Hospital	427	1.430	2.104	11,992,975	8,416,192	70.2%	8,834,647	73.7%	418,456	5.0%
430090	Sioux Falls Surgical Hospital LP	1	0.886	0.890	7,633	4,152	54.4%	4,350	57.0%	198	4.8%
240084	Virginia Regional Medical Center	138	0.417	0.425	698,900	308,980	44.2%	316,375	45.3%	7,395	2.4%
240047	St. Luke's Hospital	757	0.819	0.952	5,400,325	4,170,883	77.2%	4,254,106	78.8%	83,223	2.0%
350070	Essentia Health-Fargo	284	1.037	1.044	2,756,875	1,503,567	54.5%	1,532,513	55.6%	28,946	1.9%
240020	Cambridge Medical Center	388	0.502	0.667	2,718,363	1,762,174	64.8%	1,787,692	65.8%	25,518	1.4%
240066	Lakeview Memorial Hospital	68	0.582	0.602	380,711	229,260	60.2%	232,358	61.0%	3,098	1.4%
240038	United Hospital	1,744	0.732	0.819	15,535,887	8,863,468	57.1%	8,936,836	57.5%	73,368	0.8%
243302	Children's Health Care - Minneapolis	1,898	1.601	2.206	43,409,759	43,001,035	99.1%	43,251,775	99.6%	250,740	0.6%
240044	Winona Health Services	203	0.514	0.652	1,730,685	739,422	42.7%	730,687	42.2%	(8,736)	-1.2%
240071	District One Hospital	173	0.398	0.434	730,661	448,838	61.4%	442,401	60.5%	(6,438)	-1.4%
240004	Hennepin County Medical Center	4,601	1.060	1.156	69,190,095	48,274,679	69.8%	47,362,603	68.5%	(912,076)	-1.9%
240080	University Of Minnesota Medical Center, Fairview	3,333	1.272	1.469	59,448,638	45,677,246	76.8%	43,454,929	73.1%	(2,222,317)	-4.9%
240053	Park Nicollet Methodist Hospital	977	0.797	0.806	9,033,175	4,931,523	54.6%	4,606,847	51.0%	(324,675)	-6.6%
430027	Sanford USD Medical Center	147	1.385	1.423	2,227,292	1,214,781	54.5%	1,127,876	50.6%	(86,905)	-7.2%

Minnesota Department of Human Services
Inpatient APR-DRG Payment Simulation Model
Provider Impact - Transition Year 1 (SFY 2015)

Final DRG Model Effective July 1, 2015

Sorted by Payment Change % Before Transition and Ratable Adjustment

		Estimated Impact - With Ratable Adjustment Before Transition					Estimated Impact - Transition Year 1 With Ratable Adjustment				
Medicare Provider Number [1]	Hospital Name	Ratable Adjustment Factor [3]	New System Simulated Payments After Adjustment	New System Estimated Pay to Cost Ratio	Estimated Payment Change	Estimated Payment Change Percentage	Transition Factor [4]	New System Simulated Payments After Adjustment	New System Estimated Pay to Cost Ratio	Estimated Payment Change	Estimated Payment Change Percentage
		K	L	M=L/D	N=L-E	O=N/E	P	Q=L*P	R=Q/D	S=Q-E	T=S/E
240196	Phillips Eye Institute	1.10	$ 12,599	44.3%	$ 8,331	195.2%	0.3912	$ 4,929	17.3%	$ 661	15.5%
430016	Avera Mckennan Hospital & University Health Center	1.10	1,734,930	71.7%	722,723	71.4%	0.6717	1,165,352	48.2%	153,145	15.1%
520087	Gundersen Luth Med Ctr	1.10	1,050,372	62.8%	387,171	58.4%	0.7293	766,036	45.8%	102,836	15.5%
240019	SMDC Medical Center	1.10	4,926,419	88.9%	1,640,187	49.9%	0.7662	3,774,622	68.1%	488,391	14.9%
240063	St. Joseph's Hospital	1.10	8,051,661	79.5%	2,632,345	48.6%	0.7730	6,223,934	61.4%	804,618	14.8%
240056	Ridgeview Medical Center	1.10	915,460	64.3%	283,522	44.9%	0.7969	729,530	51.2%	97,592	15.4%
430095	Avera Heart Hospital Of South Dakota LC	1.10	195,675	78.5%	56,943	41.0%	0.8189	160,239	64.3%	21,506	15.5%
240057	Abbott Northwestern Hospital Inc	1.10	16,415,185	63.9%	4,439,817	37.1%	0.8387	13,767,416	53.6%	1,792,048	15.0%
240093	Immanuel-St. Joseph's-Mayo Health System	1.10	3,376,797	69.2%	898,082	36.2%	0.8449	2,853,056	58.5%	374,341	15.1%
350011	Sanford Medical Center Fargo	1.10	7,385,984	69.6%	1,875,858	34.0%	0.8530	6,300,244	59.4%	790,118	14.3%
240078	Fairview Southdale Hospital	1.10	4,032,764	69.4%	926,708	29.8%	0.8822	3,557,705	61.2%	451,648	14.5%
240030	Douglas County Hospital	1.10	744,783	61.3%	165,605	28.6%	0.8972	668,219	55.0%	89,041	15.4%
240036	St. Cloud Hospital	1.10	11,880,486	73.1%	2,594,155	27.9%	0.9011	10,705,506	65.9%	1,419,175	15.3%
240141	Fairview Northland Regional Hospital	1.10	613,145	72.8%	131,004	27.2%	0.9067	555,939	66.0%	73,797	15.3%
240101	St. Mary's Regional Health Center	1.10	1,252,305	76.2%	264,385	26.8%	0.9097	1,139,222	69.3%	151,302	15.3%
240001	North Memorial Health Care	1.10	15,573,613	66.9%	2,868,223	22.6%	0.9397	14,634,524	62.9%	1,929,135	15.2%
240040	University Medical Center-Mesabi/ Mesaba Clinics	1.10	1,465,515	60.3%	254,484	21.0%	0.9544	1,398,687	57.6%	187,657	15.5%
240002	St. Mary's Medical Center	1.10	9,086,771	71.9%	1,480,497	19.5%	0.9594	8,717,848	69.0%	1,111,574	14.6%
240210	Healtheast St. John's Hospital	1.10	4,452,018	59.0%	733,251	19.7%	0.9639	4,291,300	56.9%	572,533	15.4%
240100	North Country Regional Hospital	1.10	3,984,878	69.7%	614,395	18.2%	0.9745	3,883,264	68.0%	512,781	15.2%
350019	Altru Hospital	1.10	1,567,663	53.4%	226,641	16.9%	0.9851	1,544,305	52.6%	203,282	15.2%
243300	Gillette Children's Specialty Hospital	1.00	8,834,647	73.7%	418,456	5.0%	1.0000	8,834,647	73.7%	418,456	5.0%
430090	Sioux Falls Surgical Hospital LP	1.10	4,787	62.7%	635	15.3%	1.0000	4,787	62.7%	635	15.3%
240084	Virginia Regional Medical Center	1.10	347,922	49.8%	38,942	12.6%	1.0000	347,922	49.8%	38,942	12.6%
240047	St. Luke's Hospital	1.10	4,674,195	86.6%	503,313	12.1%	1.0000	4,674,195	86.6%	503,313	12.1%
350070	Essentia Health-Fargo	1.10	1,685,263	61.1%	181,696	12.1%	1.0000	1,685,263	61.1%	181,696	12.1%
240020	Cambridge Medical Center	1.10	1,965,435	72.3%	203,260	11.5%	1.0000	1,965,435	72.3%	203,260	11.5%
240066	Lakeview Memorial Hospital	1.10	254,825	66.9%	25,565	11.2%	1.0000	254,825	66.9%	25,565	11.2%
240038	United Hospital	1.10	9,809,298	63.1%	945,830	10.7%	1.0000	9,809,298	63.1%	945,830	10.7%
243302	Children's Health Care - Minneapolis	1.00	43,251,775	99.6%	250,740	0.6%	1.0000	43,251,775	99.6%	250,740	0.6%
240044	Winona Health Services	1.10	802,986	46.4%	63,564	8.6%	1.0000	802,986	46.4%	63,564	8.6%
240071	District One Hospital	1.10	486,113	66.5%	37,275	8.3%	1.0000	486,113	66.5%	37,275	8.3%
240004	Hennepin County Medical Center	1.10	51,381,758	74.3%	3,107,079	6.4%	1.0000	51,381,758	74.3%	3,107,079	6.4%
240080	University of Minnesota Medical Center, Fairview	1.10	46,845,883	78.8%	1,168,637	2.6%	1.0312	48,307,474	81.3%	2,630,228	5.8%
240053	Park Nicollet Methodist Hospital	1.10	5,054,849	56.0%	123,326	2.5%	1.0501	5,308,097	58.8%	376,574	7.6%
430027	Sanford USD Medical Center	1.10	1,221,648	54.8%	6,867	0.6%	1.0566	1,290,793	58.0%	76,012	6.3%

Minnesota Department of Human Services
Inpatient APR-DRG Payment Simulation Model
Provider Impact - Transition Year 1 (SFY 2015)

Final DRG Model Effective July 1, 2015

Sorted by Payment Change % Before Transition and Ratable Adjustment

		Calendar Year 2012 DRG Model Data						Estimated Impact - Before Ratable Adjustment and Transition			
Medicare Provider Number [1]	Hospital Name	CY 2012 Discharges	APR-DRG Case Mix - Unadjusted	APR-DRG Case Mix - With Policy Adjustments	Estimated Cost (Standardized)[2]	Current System Payments	Legacy System Estimated Pay-to-Cost Ratio	New System Simulated Payments	New System Estimated Pay to Cost Ratio	Estimated Payment Change	Estimated Payment Change Percentage
		A	B	C	D	E	F=E/D	G	H=G/D	I=G-E	J=I/E
240132	Unity Hospital	945	0.755	0.757	8,176,720	4,558,748	55.8%	4,227,374	51.7%	(331,375)	-7.3%
240106	Regions Hospital	2,880	0.961	1.116	34,519,160	25,974,082	75.2%	24,064,823	69.7%	(1,909,259)	-7.4%
240006	Olmsted Medical Center	213	0.296	0.322	1,107,531	538,400	48.6%	498,589	45.0%	(39,811)	-7.4%
240069	Owatonna Hospital	301	0.401	0.517	1,877,868	1,029,035	54.8%	944,390	50.3%	(84,646)	-8.2%
240052	Lake Region Healthcare Corporation	210	0.510	0.650	1,353,309	789,259	58.3%	723,913	53.5%	(65,346)	-8.3%
240064	Grand Itasca Clinic And Hospital	142	0.566	0.588	762,515	508,575	66.7%	463,841	60.8%	(44,733)	-8.8%
240104	St. Francis Regional Medical Center	345	0.595	0.605	2,798,795	1,326,021	47.4%	1,207,417	43.1%	(118,604)	-8.9%
240207	Fairview Ridges Hospital	667	0.612	0.619	4,273,436	2,637,635	61.7%	2,398,212	56.1%	(239,423)	-9.1%
240014	Northfield Hospital	147	0.326	0.354	581,209	329,623	56.7%	297,107	51.1%	(32,516)	-9.9%
240117	Austin Medical Center	336	0.404	0.526	1,905,479	1,111,454	58.3%	997,230	52.3%	(114,224)	-10.3%
240075	Essentia Health St. Joseph's Medical Center	447	0.583	0.748	3,658,860	2,027,116	55.4%	1,809,023	49.4%	(218,092)	-10.8%
354004	Prairie St. John's	193	0.554	1.076	1,043,376	1,207,959	115.8%	1,073,745	102.9%	(134,214)	-11.1%
244016	PrairieCare LLC	82	0.418	0.913	861,873	497,549	57.7%	438,715	50.9%	(58,834)	-11.8%
240088	Rice Memorial Hospital	312	0.423	0.570	2,017,929	1,079,944	53.5%	947,204	46.9%	(132,741)	-12.3%
240115	Mercy Hospital	1,487	0.844	0.957	15,185,899	9,821,184	64.7%	8,442,625	55.6%	(1,378,559)	-14.0%
240022	Sanford Regional Hospital Worthington	137	0.289	0.305	585,405	315,599	53.9%	268,022	45.8%	(47,577)	-15.1%
240076	Buffalo Hospital	189	0.370	0.389	1,021,723	503,516	49.3%	427,489	41.8%	(76,027)	-15.1%
240010	Mayo Clinic - St. Mary's Hospital	1,680	1.435	1.573	33,986,809	20,386,198	60.0%	17,235,946	50.7%	(3,150,252)	-15.5%
240050	Fairview Lakes Health Services	210	0.469	0.473	1,099,938	678,259	61.7%	560,615	51.0%	(117,644)	-17.3%
240214	Maple Grove Hospital	507	0.442	0.444	2,820,495	1,616,102	57.3%	1,317,932	46.7%	(298,170)	-18.4%
240187	Hutchinson Area Health Care	198	0.434	0.708	1,097,420	926,188	84.4%	753,903	68.7%	(172,285)	-18.6%
240166	Fairmont Medical Center	90	0.522	0.540	514,841	312,057	60.6%	246,796	47.9%	(65,261)	-20.9%
240043	Naeve Hospital	210	0.367	0.383	952,746	522,478	54.8%	411,171	43.2%	(111,307)	-21.3%
240018	Fairview Red Wing Hospital	96	0.568	0.579	812,526	421,115	51.8%	328,811	40.5%	(92,304)	-21.9%
240059	Regina Medical Center	82	0.453	0.470	398,918	279,863	70.2%	217,168	54.4%	(62,695)	-22.4%
240061	Mayo Clinic - Methodist Hospital	478	0.991	0.994	7,259,845	3,881,541	53.5%	3,001,759	41.3%	(879,781)	-22.7%
240213	Healtheast Woodwinds Hospital	343	0.625	0.626	2,099,163	1,664,776	79.3%	1,251,737	59.6%	(413,039)	-24.8%
520004	Franciscan Skemp La Crosse Hospital	34	0.702	0.789	241,870	201,491	83.3%	148,113	61.2%	(53,377)	-26.5%
354005	Richard P. Stadter Psych Center	58	0.438	0.931	836,652	594,794	71.1%	279,916	33.5%	(314,879)	-52.9%
	CY 2012 Analytical Dataset Total	**42,905**	**0.936**	**1.066**	**$ 502,012,433**	**$ 330,801,455**	**65.9%**	**$ 331,999,064**	**66.1%**	**$ 1,197,609**	**0.4%**

Notes:
(1) 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.
(2) Estimated costs are based on a statewide standardized revenue code crosswalk; using a provider-specific revenue code crosswalk would result in different cost estimates than shown in this analysis.

Minnesota Department of Human Services
Inpatient APR-DRG Payment Simulation Model
Provider Impact - Transition Year 1 (SFY 2015)

Sorted by Payment Change % Before Transition and Ratable Adjustment

		Estimated Impact - With Ratable Adjustment Before Transition					Estimated Impact - Transition Year 1 With Ratable Adjustment				
Medicare Provider Number [1]	Hospital Name	Ratable Adjustment Factor [3]	New System Simulated Payments After Adjustment	New System Estimated Pay to Cost Ratio	Estimated Payment Change	Estimated Payment Change Percentage	Transition Factor [4]	New System Simulated Payments After Adjustment	New System Estimated Pay to Cost Ratio	Estimated Payment Change	Estimated Payment Change Percentage
		K	L	M=L/D	N=L-E	O=N/E	P	Q=L*P	R=Q/D	S=Q-E	T=S/E
240132	Unity Hospital	1.10	4,637,107	56.7%	78,359	1.7%	1.0579	4,905,596	60.0%	346,847	7.6%
240106	Regions Hospital	1.10	26,324,019	76.3%	349,937	1.3%	1.0588	27,871,871	80.7%	1,897,789	7.3%
240006	Olmsted Medical Center	1.10	547,326	49.4%	8,926	1.7%	1.0593	579,782	52.3%	41,382	7.7%
240069	Owatonna Hospital	1.10	1,037,114	55.2%	8,079	0.8%	1.0689	1,108,572	59.0%	79,536	7.7%
240052	Lake Region Healthcare Corporation	1.10	794,539	58.7%	5,280	0.7%	1.0696	849,839	62.8%	60,580	7.7%
240064	Grand Itasca Clinic And Hospital	1.10	508,807	66.7%	233	0.0%	1.0756	547,273	71.8%	38,699	7.6%
240104	St. Francis Regional Medical Center	1.10	1,324,364	47.3%	(1,658)	-0.1%	1.0774	1,426,870	51.0%	100,848	7.6%
240207	Fairview Ridges Hospital	1.10	2,627,860	61.5%	(9,775)	-0.4%	1.0789	2,835,198	66.3%	197,563	7.5%
240014	Northfield Hospital	1.10	325,952	56.1%	(3,671)	-1.1%	1.0884	354,766	61.0%	25,143	7.6%
240117	Austin Medical Center	1.10	1,096,746	57.6%	(14,707)	-1.3%	1.0934	1,199,182	62.9%	87,729	7.9%
240075	Essentia Health St. Joseph's Medical Center	1.10	1,989,471	54.4%	(37,645)	-1.9%	1.0993	2,187,025	59.8%	159,909	7.9%
354004	Prairie St. John's	1.10	1,181,127	113.2%	(26,833)	-2.2%	1.1036	1,303,492	124.9%	95,532	7.9%
244016	PrairieCare LLC	1.10	482,587	56.0%	(14,962)	-3.0%	1.1126	536,926	62.3%	39,377	7.9%
240088	Rice Memorial Hospital	1.10	1,041,374	51.6%	(38,570)	-3.6%	1.1185	1,164,777	57.7%	84,833	7.9%
240115	Mercy Hospital	1.10	9,271,584	61.1%	(549,601)	-5.6%	1.1412	10,580,731	69.7%	759,547	7.7%
240022	Sanford Regional Hospital Worthington	1.10	294,252	50.3%	(21,347)	-6.8%	1.1551	339,891	58.1%	24,292	7.7%
240076	Buffalo Hospital	1.10	468,990	45.9%	(34,527)	-6.9%	1.1555	541,918	53.0%	38,401	7.6%
240010	Mayo Clinic - St. Mary's Hospital	1.10	18,749,736	55.2%	(1,636,462)	-8.0%	1.1603	21,755,319	64.0%	1,369,120	6.7%
240050	Fairview Lakes Health Services	1.10	616,194	56.0%	(62,064)	-9.2%	1.1869	731,361	66.5%	53,102	7.8%
240214	Maple Grove Hospital	1.10	1,442,831	51.2%	(173,271)	-10.7%	1.2029	1,735,581	61.5%	119,479	7.4%
240187	Hutchinson Area Health Care	1.10	828,909	75.5%	(97,279)	-10.5%	1.2052	999,001	91.0%	72,813	7.9%
240166	Fairmont Medical Center	1.10	271,425	52.7%	(40,632)	-13.0%	1.2404	336,676	65.4%	24,619	7.9%
240043	Naeve Hospital	1.10	451,738	47.4%	(70,740)	-13.5%	1.2466	563,136	59.1%	40,658	7.8%
240018	Fairview Red Wing Hospital	1.10	361,322	44.5%	(59,792)	-14.2%	1.2564	453,965	55.9%	32,851	7.8%
240059	Regina Medical Center	1.10	238,474	59.8%	(41,389)	-14.8%	1.2642	301,478	75.6%	21,616	7.7%
240061	Mayo Clinic - Methodist Hospital	1.10	3,282,231	45.2%	(599,310)	-15.4%	1.2685	4,163,510	57.3%	281,969	7.3%
240213	Healtheast Woodwinds Hospital	1.10	1,376,732	65.6%	(288,044)	-17.3%	1.3047	1,796,223	85.6%	131,447	7.9%
520004	Franciscan Skemp La Crosse Hospital	1.10	162,923	67.4%	(38,568)	-19.1%	1.3345	217,420	89.9%	15,929	7.9%
354005	Richard P. Stadter Psych Center	1.10	307,913	36.8%	(286,881)	-48.2%	2.0845	641,846	76.7%	47,051	7.9%
	CY 2012 Analytical Dataset Total		**$357,384,054**	**71.2%**	**$26,582,599**	**8.0%**		**$357,276,470**	**71.2%**	**$26,475,015**	**8.0%**

Notes:
(3) Ratable adjustment of 10 percent effective 11/1/2014 for non-children's hospitals. Note total payments did not increase by 10% because they are offset in part by lower outlier payments.
(4) Prospective transitional adjustments applied in first year of APR-DRG system such that no provider has greater than a 5 percent estimated gain or less than a 1.9 percent loss, before the 10% ratable adjustment is applied. less than a 1.9 percent loss, before the 10% ratable adjustment is applied.