



## Kansas Medical Assistance Program



November 2008

Provider Bulletin Number 8152

# Hospital Providers

## Transition to MS-DRGs and 2009 Weights and Rates

The Kansas Health Policy Authority (KHPA) will fully transition Medicaid inpatient claim reimbursement to Medicare Severity-Diagnosis Related Groups (MS-DRGs). The transition to MS-DRGs will be implemented January 23, 2009, and be retroactive to October 1, 2008. The current MS-DRG to CMS-DRG crosswalk process will be discontinued when MS-DRGs are implemented. The current crosswalk process will be end-dated September 30, 2008. In conjunction with the full transition to MS-DRGs, KHPA will update MS-DRG rates and weights.

Claims will continue to process and pay from October 1, 2008, through the January 23, 2009, implementation date using the existing crosswalk process. For discharges on and after October 1, 2008, KHPA will not automatically mass adjust claims paid before the January implementation date. Providers will have the option to hold or adjust paid claims with discharge dates on or after October 1, 2008. If KHPA pays claims using the existing crosswalk process, the provider may adjust the claims after January 23, 2009. The adjustment will then be processed and paid using Grouper V26 and the updated rates and weights.

KHPA will automatically reprocess any claims denied based on the presence of new ICD-9 diagnoses and procedure codes that are effective October 1, 2008. KHPA will reprocess the claims using Grouper V26 (MS-DRGs) and the updated rates and weights.

For neonatal claims, KHPA has elected to use MS-DRGs 993, 994, 995, 996, and 997 as the State MS-DRGs with discharge dates on or after October 1, 2008. The previously established State DRGs of 801, 802, 803, 804, and 805 will continue to be used for claims with discharge dates on or before September 30, 2008.

Providers will be required to report the present on admission (POA) indicator for all inpatient claims effective October 1, 2008. Hospitals exempt from POA reporting are long-term care hospitals, inpatient rehabilitation facilities, inpatient psychiatric facilities, cancer hospitals, children's hospitals, and critical access hospitals. Claims will be edited for valid POA indicators and be subject to denial if the information is not valid. KMAP will apply Medicare's hospital acquired condition (HAC) policy for all inpatient claims billed.

The MS-DRG weights and rates will be updated in the *Hospital Provider Manual* with the other manual updates to be published with Hospital Bulletin 8161 in December 2008.

Information about KMAP as well as provider manuals and other publications are on the KMAP Web site at <https://www.kmap-state-ks.us>.

If you have any questions, please contact Customer Service at 1-800-933-6593 (in-state providers) or 785-274-5990 between 7:30 a.m. and 5:30 p.m., Monday through Friday.

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EDS is the fiscal agent and administrator of the Kansas Medical Assistance Program for the Kansas Health Policy Authority.