Inpatient Hospital Rates Rebasing Report

Health Care Administration

May 2016

For more information contact:

Minnesota Department of Human Services
Health Care Administration
P.O. Box 69083
St. Paul, MN 55164-0983
(651) 431-2106

Minnesota Department of **Human Services**

Legislative Report

This information is available in accessible formats to individuals with disabilities by calling (651) 431-2106,

or by using your preferred relay service.

For other information on disability rights and protections, contact the agency's ADA coordinator.

Minnesota Statutes, Chapter 3.197, requires the disclosure of the cost to prepare this report. The estimated cost of preparing this report is $10,000.

Printed with a minimum of 10 percent post-consumer material. Please recycle.

I. EXECUTIVE SUMMARY

The Minnesota Department of Human Services (DHS) created this report in response to Laws of Minnesota 2014, Chapter 312, Article 24, Section 10 which requires the DHS Commissioner to submit to the legislature by March 1, 2016 an Inpatient Hospital Rates Rebasing Report. This subject of this report is the Fee-for-Service (FFS) payment methodology for prospective payment system, or those hospitals paid under the Diagnostic Related Groups (DRGs). The methodology for the DRG hospitals was developed and modeled by excluding claims associated with out-of-state hospitals, critical access hospitals, long term care hospitals and rehabilitation hospitals. This report updates the report submitted to the Legislature in April of 2015.

During the 2014 Legislative session, DHS received authority to rebase fee-for-service inpatient hospital rates in the Minnesota Health Care Programs (MHCP) for the first time in seven years. The rebased rates must be budget neutral to the same aggregate total payment for the claims and services paid in calendar year 2012 and moves the rates from the current 2002 claims base to the 2012 claims base. DHS recognized that developing a new Medicaid payment method required significant analysis and modeling of data to maximize the State's available funding, maintain budget neutrality, and provide payments that are fair and equitable and in compliance with federal requirements. Expert technical assistance with the rebasing was secured through the Request for Proposal process.

The rebasing model and validations outlined in this report are the result of over a year of work by DHS policy team members, provider stakeholders and contracted experts to analyze the current payment method, determine objectives for the new payment method and model pricing methods to assess the impact on plan recipients, providers and taxpayers. A full description of the final model is included in this report.

Summary of the old payment system issues

Minnesota's old fee-for-service payment system for inpatient hospital services was outdated, imprecise, systematically complex, noncompliant with upcoming federal requirements and lacked transparency.

Under the old payment system, hospitals' reimbursement rates were based on each hospital's costs and patient mix from 2002. As a result, the old rates failed to reflect over a decade of changes in hospital services and cost centers, mergers and acquisitions of hospitals by larger health care systems, and the significant movement of services from the inpatient to the outpatient setting.

The old payment system utilized a hospital claims grouper that groups claims for the same services and conditions into a common Diagnostic Related Group (DRG). This grouper is more than eight versions behind the most current version. In addition, the older grouper supports a very limited number of DRGs available because it collapses multiple DRGs, which are meant to differentiate between types of admissions, into a single DRG. In other words, the old grouper treats most admissions as though they are the same without recognizing or adjusting for the

severity of the patient's condition, the anticipated length of stay, and hospital resources required during the hospital stay. Consequently, it ensures that the Medical Assistance fee-for-service system will overpay some hospitals and underpay others.

Using this outdated grouper with a formula based on each hospital's costs results in a payment system of imprecise rates, as many hospitals do not have sufficient admissions of certain types to allow a reasonably accurate rate to be developed. To overcome the issue of insufficient admissions for rate setting, multiple types of admissions were grouped together, losing the differences between types of admissions and their associated costs.

Moreover, by using each hospital's costs, the old payment system did not control for efficiency or relativity of costs between hospitals rendering the same services, so the old payment system tends to overpay hospitals with higher costs and underpay lower cost hospitals, even if they rendered the exact same services. Lacking standardization of cost and service relativity, the programming for the old system reflects many unique and complex rules that adjust the claim information from the hospital, modify the actual resulting DRG into one of the small number of DRGs supported by the old system, and make multiple adjustments to the payment before the final payment is generated. These adjustments were not transparent to hospitals, masked the inherent inequity in the old payment system, and left hospitals unable to determine whether an adjudicated claim was paid correctly.

Perhaps most importantly, the old payment system and the grouper it uses did not comply with the new federal requirements that went into effect October 1, 2015. On that date, the Centers for Medicare and Medicaid Services (CMS) will required all providers and payers, including each state's Medicaid program, to comply with the tenth version of the International Classification of Diseases (ICD-10) coding standards. Because the old grouper was generations behind current versions and combines multiple types of admissions and services into a larger, less precise DRG, it is unable to comply with ICD-10 standards. These standards require even greater specificity and precision in coding and paying for variations in patient acuity, services provided, complexity of care and anticipated costs for each service. To ensure that Minnesota's Medical Assistance program remains eligible to receive federal matching funds, the old payment system had to be replaced with a more refined, updated and sophisticated grouper and reimbursement formula.

All Patient Refined Diagnostic Related Groups based payments

The rebased inpatient hospital payment method involved the design and implementation of inpatient prospective payment systems using the All Patient Refined Diagnostic Related Groups (APR-DRG) patient classification model. This payment method enhances DHS' ability to appropriately reimburse inpatient hospital services commensurate with the resources used, the severity of the illness and the patient's risk of mortality. The new method also establishes compliance with federal ICD-10 requirements. DHS is using APR-DRG version 31 and national standardized relative weights, rather than using a non-standardized method based on each hospital's costs.

Minnesota Specific Configurations

DHS configured the APR-DRG model to meet Minnesota's state specific needs in the following ways:

Base Rate: The standard base rate payment for discharges on or after November 1, 2014 is set at $5,376.02 with the labor portion adjusted by the FFY 2014 Medicare Inpatient Prospective Payment System wage index that applies to each hospital. The wage index takes into account reclassifications but does not include the Frontier adjustment. Setting the base rate at this level keeps total payments budget neutral to 2012.

Relative Weights: DHS is using national standardized relative weights for each DRG. The development of the national relative weights actually included data from many Minnesota hospitals. Analysis indicates a high correlation between the national standardized values and the Minnesota specific relative weights used in previous rate setting methodologies. Thus, the national weights are a valid, reliable method.

Payments for High Cost Cases: The new rate methodology incorporates a cost outlier payment rate to account for inpatient stays that greatly exceed the costs of an average stay. The claim outlier threshold is equal to the base DRG payment plus $70,000 in fixed losses. Once the threshold has been met, additional payment is based on a fixed percentage of the costs that exceed the threshold.

Payments for Transfers: Payments for stays that are split between two facilities are pro-rated based on the standard Medicare Inpatient Prospective Payment System (IPPS) transfer methodology. Payment is equal to the standard DRG base payment divided by the average length of stay multiplied by one plus the claim length of stay.

- ***Policy Adjusters:*** DHS has applied four policy related adjustments to the DRG base payments. These adjusters will mitigate payment reductions associated with these services, but are subject to future review based on additional information such as the impact of the more detailed coding that occurs in the APR-DRG system, and the necessity of the adjustment as other inpatient and outpatient services evolve.

The adjusters for Mental Health and Pediatric services were modified for discharges on or after July 1, 2015. The changes to the Mental Health policy adjusters reflect an additional $2 million in funding for mental health services appropriated for SFY 2016. In addition, the pediatric policy adjusters were standardized across all hospital types. The disproportionate share hospital (DSH) payments to the licensed children's hospitals (which are by definition DSH eligible) were increased effective July 1, 2015 to account for the change in the policy adjuster value.

The adjusters are targeted to services that are integral to the Medical Assistance program and have a long history of legislative support.

Policy Adjuster	Severity of Illness	Adjuster Value	
		11/1/14 to 6/30/15	7/1/15
Mental Health	1	2.25	2.35
	2	2.05	2.15
	3	1.70	1.75
	4	1.55	1.60
Pediatric Licensed Children's Hospitals	1,2,3,4	1.60	1.15
Pediatric Non Children's Hospitals	1,2,3,4	1.15	1.15
Obstetrics – Non Metro Hospitals	1,2,3,4	1.35	1.35

The policy adjusters are mutually exclusive and are applied in the order listed above. For example, a hospital providing inpatient mental health care for child would be paid using the mental health adjuster only; the pediatric adjuster would not be applied to the pediatric mental health claim.

Finally, the legislatively required current payment adjustments of a $5 add-on for newborn screening and the $3,528 payment limit for Cesarean sections are retained for discharges prior to July 1, 2015 as these were still required under law. For discharges on or after July 1, 2015, the payment limit for Cesarean sections is eliminated, consistent with changes enacted by the legislature. Removing the limit allows for proper consideration of acuity and level of services provided for an inpatient birth.

The DRG base payment is comprised of the hospital DRG Base Rate multiplied by the DRG Relative Weight multiplied by the value of any applicable Policy Adjustor. A more detailed description of the rate components is included on page 14.

Additional payment considerations for 2014 and 2015

In addition to requiring that the total aggregate payment amounts in the new payment system are budget neutral to 2012, the legislation also directed DHS to hold aggregate payment increases or decreases to individual hospitals to a five percent limit until the next rebasing. For the 2014 rate year, DHS was able to limit the loss to 3.2 percent and still remain within the budget neutrality limits. The chart in Appendix B shows the impact to each affected hospital of the rate setting methodology before and after the five percent limits are applied.

Appendix C also shows the hospital specific impacts of payments to non-children's hospitals being increased by 10 percent as a result of changes to Minnesota Statutes 256.969 subdivision 3c that were effective November 1, 2014. The result, when combined with the policy adjusters and the five percent limits noted above is that no hospital has a decrease in payments compared to their 2012 payments for the same claims.

Claims Model Validation Summary – 2013 and 2014

The simulated payment model using 2012 claims was validated using 2013 and 2014 claims. The results of that validation are summarized in the table below. Changes in payment by service include the effects of the policy adjusters and changes to the disproportionate share hospital (DSH) factors, but do not account for the limits on payment increases and decreases or the 10 percent increase discussed above.

The simulated payment model shows a one percent decrease in total payments when applied to 2013 claims and a 1.4% decrease when applied to the 2014 claims. DHS, based on consultation with the contracted vendor, recommends not adjusting for the 2013 or the 2014 decrease given that the more accurate coding in the new system may result in a slight natural increase in relative weights (and total payments) within the claims. This is a change that cannot be accounted for when using past claims experience in the model, as those claims were coded to the old payment

system.

Claim Year	Case Mix Index	Legacy Pay to Cost Ratio (percentage)	New Pay to Cost Ratio (percentage)	Percentage Change in Total Payments			
				Mental Health	Obstetrics	Pediatric	
						Children's	Non-Children's
2012	0.936	65.9	65.9	(4.2)	(13.8)	12.3	1.6
2013	0.919	65.7	65.1	(7.4)	(15.0)	17.9	3.3
2014	0.931	68.9%	69.2%	(7.0)	(14.4)	17.1	5.7

Payment Changes Effective with SFY 2016

Disproportionate Share Hospital Payments. Proposals to modify DSH payments and payments to critical access hospitals were recommended by DHS, in consultation with the Minnesota Hospital Association (MHA) and subsequently enacted by the Legislature. Disproportionate Hospital Share payments are intended to help ensure particular hospitals, typically children's hospitals, hospitals that serve high volumes of Medicaid patients, or hospitals that provide important services to the Medicaid population, do not suffer large losses compared to their costs due to treating Medicaid and uninsured patients. Previously, DSH payments were set based only on Medicaid volume in each facility. The DSH payments are included in the payment for each claim.

The new DSH payment methodology sets new, budget neutral DSH factors that target two hospital service areas while still recognizing hospitals with high Medicaid volumes. The new service areas incorporated into the DSH methodology are mental health contract beds, and transplants. The new DSH factors also address the unique situation of children's hospitals by setting hospital-specific factors for them.

Policy Adjuster Updates. The changes to the DSH payment methodology were completed in conjunction with updates to the policy adjusters. Specifically, the policy adjuster factor applied to pediatric services was standardized across children's and non-children's hospitals. The reduction in the pediatric policy adjuster for children's hospitals was balanced by the hospital specific DSH factors set for children's hospitals.

In addition, the mental health policy adjusters were updated to reflect the additional $2 million in funding appropriated by the Legislature.

Critical Access Hospital Payments. DHS worked with our technical experts and stakeholders to develop a cost-based payment methodology for critical access hospitals that is more comprehensive and stable than the previous payment methodology. Our analysis had indicated a much wider than anticipated variation in payments related to costs for the critical access

hospitals. As a result, a single, standard percentage of cost system that was budget neutral would have created large and likely harmful swings in reimbursement to these small, but necessary facilities.

The new payment methodology for Critical Access Hospitals creates a three tiered payment structure with per diem payment rates that are targeted to reimburse 100 percent, 95 percent or 85 percent of each hospital's 2012 base year costs. Hospitals are assigned to a payment tier based on their base year payment-to-cost ratio. Hospitals with base year payment-to-cost ratios that were at or below 80 percent were assigned to the 85 percent tier. Hospitals with base year payment-to-cost ratios between 80 and 90 percent were assigned to the 95 percent tier. Hospitals with base year payment-to-cost ratios greater than 90 percent were assigned to the 100 percent tier.

II. LEGISLATION

Laws of Minnesota 2014, Chapter 312, Article 24, Section 10 require that the Commissioner of the Department of Human Services submit to the legislature by March 1, 2015 an Inpatient Hospital Rates Rebasing Report.

Sec. 10.

[Coding removed] Report required.

(a) The commissioner shall report to the legislature by March 1, 2015, and by March 1, 2016, on the financial impacts by hospital and policy ramifications, if any, resulting from payment methodology changes implemented after October 31, 2014, and before December 15, 2015.

(b) The commissioner shall report, at a minimum, the following information:

(1) case-mix adjusted calculations of net payment impacts for each hospital resulting from the difference between the payments each hospital would have received under the payment methodology for discharges before October 31, 2014, and the payments each hospital has received or is expected to receive for the same number and types of services under the payment methodology implemented effective November 1, 2014;

(2) any adjustments that the commissioner made and the impacts of those adjustments for each hospital;

(3) any difference in total aggregate payments resulting from the validation process under calendar year 2013 claims; and

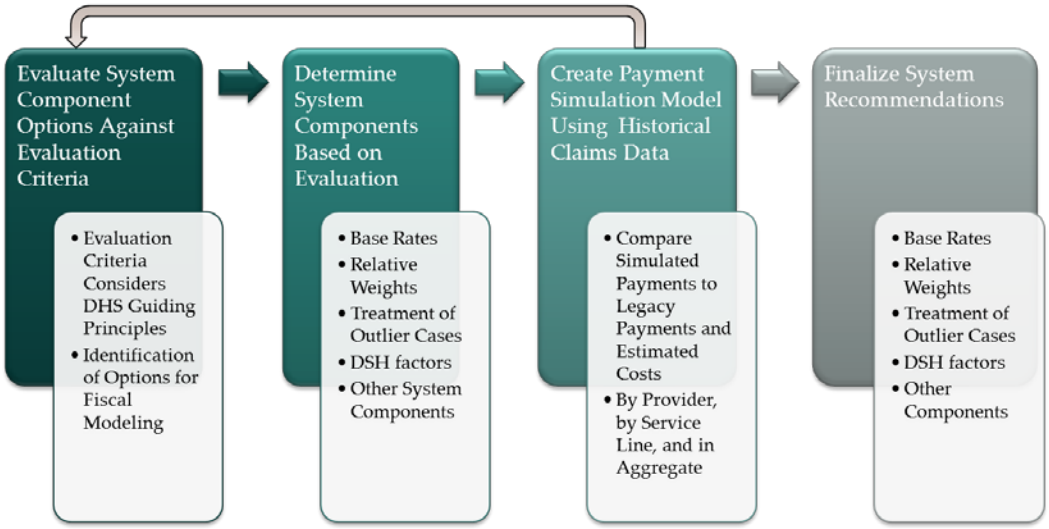
(4) recommendations for further refinement or improvement of the hospital inpatient payment system or methodologies.

III. INPATIENT HOSPITAL RATES REBASING

Modeling Process

DHS worked with Navigant Consulting, Inc. to provide assistance in the development of its new inpatient payment system using the 3M APR-DRG Group classification system in compliance with ICD-10. That initial development and details of the new base rates were described in DHS' report to legislature in 2015. The following diagram outlines the Design Framework for the project.

Project Design Framework



Payment Rate Structure for DRG Hospitals

The Minnesota inpatient hospital payment system for the Medical Assistance Program is generally defined in state statute. To be eligible for payment, inpatient hospital services must be medically necessary, and if required, have the necessary prior approval from the Department. Payment rates for large general hospitals that are not rehabilitation or long term hospitals are based on the 3M All Patient Refined Diagnosis Related Grouper (APR-DRG) to reflect a per discharge payment schedule.

Components of the Payment Rate Calculation

APR-DRG Base Rate – This is a standardized per discharge dollar amount that forms the basis for the beginning of the payment calculation. The base rate is the same for all hospitals and every payment. The base rate is multiplied by several factors to arrive at the final payment amount.

Wage Index – Payments to each hospital are adjusted to reflect the cost of labor within the geographic area in which the hospital is located. CMS sets the wage area adjustment factors, or indices, each year. Individual hospitals may petition CMS to be "reclassified" into a wage area that is different from the one in which they are physically located. The wage index is made up of a labor and non-labor portion which is also set by CMS.

Relative Weights – The standardized base rate amount is multiplied by a relative weight factor that reflects the severity of the condition of the patient being treated and complexity of the services delivered.

Policy Adjusters – DHS is using policy adjusters to increase the base rate payment amount for mental health services, pediatric services and some obstetric services.

Disproportionate Share Hospital Payment Adjustment – APR-DRG base rate payments to hospitals that treat a large number of Medical Assistance enrollees are augmented with a Disproportionate Share Hospital adjustment factor.

Outlier and/or Transfer Payment Adjustment – Payment rates are also adjusted for very high cost cases or when a patient is transferred between treating hospitals or from a hospital to a non-hospital post-acute care setting.

All of these adjustments and add-ons make up the APR-DRG Basic Base Payment Rate. Once the Basic Base Payment Rate has been determined, it is further adjusted to account for payments from other sources.

The adjusted payment is then increased by 10 percent to reflect the rate increase to all non-children's hospitals that became effective November 1, 2014. The increased adjusted payment is then multiplied by a transitional factor to ensure that aggregate payments to each hospital stay within a five percent increase or 3.2 percent decrease from the 2012 payment amounts. Finally, the payment amount is increased by two percent to account for the statewide assessment levied on all non-Medicare hospital services.

In addition to the APR-DRG Basic Base Rate payments, annual lump sum supplemental payments are made to certain qualifying safety net hospitals and to teaching hospitals that are in addition to the payments they receive under the DRG payment system.

ACUTE CARE HOSPITAL INPATIENT PROSPECTIVE PAYMENT SYSTEM
Basic Base Payment Rate

1. DRG BASE RATE

(Wage Index **x** Labor Related Portion **+** Non-labor Related Portion) →

- Wage Index > 1.000 → 68.8% of Labor-Related Portion is Adjusted for Area Wages
- Wage Index ≤ 1.000 → 62% of Labor-Related Portion is Adjusted for Area Wages

2. DRG BASE PAYMENT

(DRG Base Payment) **+** (High Cost Outlier) **x** (DRG Weight) **x** (Minnesota Policy Adjuster) **x** (10% Rateable Adjustment) → DRG Base Payment

3. DRG BASE PAYMENT TRANSFER ADJUSTMENT

- Claim Length of Stay + 1 ≥ DRG Average Length of Stay → Unadjusted DRG Base Payment
- Claim Length of Stay + 1 < DRG Average Length of Stay → DRG Per Diem Payment Rate

4. CEASEREAN SECTION LIMIT

Ceaserean Section Limit Applied $3528 ↓

(Basic Base Payment **+** Outlier Payment **x** DSH Factor)

5. HIGH COST OUTLIER PAYMENT

Outlier Payment = (Claim Cost) **-** (Outlier Threshold) **x** (Marginal Factor)

Outlier Threshold = DRG Payment + $70,000
Marginal Cost Factor = 50%

6. DISPROPORTIONATE SHARE PAYMENT

(DRG Base Payment) **+** (High Cost Outlier Payment) **x** (Disproportionate Share Payment Factor)

7. PROVIDER TAX ADD-ON

(DRG Base Payment **+** High Cost Outlier Payment **+** DSH Payment) **x** 1.02%

8. COMPLETE CLAIM PRICING FORMULA

(DRG Base Payment **+** High Cost Outlier Payment **+** DSH Payment) **x** (Transitional Adjustment) **x** (1.02%)

ALL RATES ARE NET OF THIRD PARTY LIABILITY AND PATIENT LIABILITY

Payment Rate Components

The new payment methodology includes the following components:

1. **DRG Base Rates:** Statewide standardized base rate amount of $5,376.02 with labor portion adjusted by FFY 2014 IPPS wage index (with reclassifications without Frontier Adjustment). Statewide standardized amount set such that statewide aggregate simulated total claim payments are adjusted for budget neutrality.
2. **Relative Weights:** Based on 3M's version 31 APR-DRG standard national weights.
3. **Policy Adjustors:** These policy adjustors are mutually exclusive and applied in the order noted below.
    a. Mental Health DRG policy adjusters for SOI levels 1/2/3/4 are 2.25/2.05/1.70/1.55 to achieve at least statewide average cost coverage.
    b. Other Pediatric policy adjuster for non-children's providers is 1.15, set to make service line budget neutral.
    c. Other Pediatric policy adjuster for children's providers is 1.60, set to make each provider equal in total payments between current and new system.
    d. Non-metro provider APR-DRG 560 (vaginal delivery) policy adjuster of 1.35, set to make service budget neutral.
    e. $5 newborn screening add-on required under current law.
    f. $3,528 payment limit applied for Cesarean section DRG 540 claims required under current law.
4. **Basic Base Payments:** Calculated by multiplying the DRG base rate by the DRG relative weight and the policy adjuster when applicable.
5. **Disproportionate Share Hospital Payment Adjustment (DPA):** Calculated using the statewide average of the number of Medical Assistances days per year for all hospitals and the number of Medicaid Assistance days for the hospital being paid. The DPA factor is unique to each hospital. Base payments are multiplied by the DPA factor.
6. **Outlier Payment Policy:** Calculated using following:
    a. Claim outlier threshold equal to base DRG payment plus $70,000 fixed loss threshold.
    b. Claim outlier costs calculated by multiplying claim charges by FFY 2012 Medicare outlier CCRs for that hospital.
    c. Claim outlier payment calculated based on 50% of outlier costs exceeding outlier threshold for all DRGs.
7. **Transfer Payment Policy:** Based on the Medicare Inpatient Prospective Payment System which pro-rates the full payment amount by a standard transfer methodology when a patient is discharged to another facility. The transfer payment is 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).

8. **Ten Percent Increase and Transition Factor:** Payments are adjusted for the ten percent payment increase for all non-children's hospitals. The transitional factor is applied by hospital at the claim level. This factor adjusts the payment to ensure that aggregate payments to each hospital stay within limits of a five percent increase or a 3.2 percent decrease from the 2012 aggregate payments to the hospital.
9. **Provider Tax Assessment Adjustment:** Calculated as:

   (Basic Base payment + outlier payment + DSH payment - TPL payment - Patient liability)

   Multiplied by (10% increase * Transition Factor * 2%)

Rate Validation

Payments generated under the current methodology were recalculated applying the recommended rebased payment methodology to 2013 claims in order to validate the rates and to ensure that the proposed payment methodology remained budget neutral. This is outlined in the table below. The 2012 and 2013 payments outlined below do not reflect the impact of the temporary five percent gain or loss limit for each hospital or the 10 percent added to the rates of all non-children's hospitals resulting from the sunset of that rate reduction.

Validation of Rates and Budget Neutrality

APR-DRG Service Line	Calendar Year 2012 Claims		Calendar Year 2013 Claims		Calendar Year 2014 Claims	
	Old Payment Method Data	Simulated APR-DRG Payments	Old Payment Method Data	Simulated APR-DRG Payments	Old Payment Method Data	Simulated APR-DRG Payments
Mental Health	$ 50,530,289	$ 48,424,632	$ 53,989,647	$ 50,003,575	$ 58,849,497	$ 54,729,466
Neonate	25,784,466	26,207,424	35,787,371	36,058,914	38,676,446	39,018,272
Normal Newborn	10,706,500	5,345,691	12,382,717	6,021,767	13,638,679	6,731,176
Obstetrics - Caesarean	3,273,070	2,510,549	5,959,908	4,820,313	6,415,021	5,077,522
Obstetrics - all other	8,419,059	7,259,810	14,091,284	11,972,147	15,552,807	13,307,100
Transplant	7,555,708	4,550,574	3,719,245	2,777,923	4,910,705	3,597,280
Trauma	6,795,420	8,650,587	7,570,878	8,633,046	6,224,969	7,407,955
Other Pediatrics - Children's Providers	33,326,246	37,435,954	39,602,682	46,690,225	43,310,572	50,709,947
Other Pediatrics - Non-Children's Providers	17,752,111	18,039,079	18,332,398	18,939,775	17,923,251	18,948,786
Other Adult	166,658,586	172,350,569	179,529,326	181,480,800	182,773,241	190,221,350
Analytical Dataset Total	**$ 330,801,455**	**$ 330,774,869**	**$ 370,965,456**	**$ 367,398,485**	**$ 388,275,188**	**$ 389,748,854**
Total Simulated Pymts as % of Old Method	**99.99%**		**99.04%**		**100.38%**	

Impact on Hospital Rates

The rate validation exercise demonstrates that the aggregate payments remain relatively stable over three years of claims experience. In order to account for changes in claims volume, the simulated APR-DRG payment amounts are expressed as a percentage of the old system payment amounts. In the aggregate, total payments vary by less than one percent across three years of claims. The impact of the new rate methodology on individual hospitals varies considerably. Table 4 of Appendix C and Appendix D summarizes the impacts of the new payment system on each affected facility.

The first section of each table summarizes each hospital's total number of discharges and the computed case mix as measured using the new DRG grouper before and after the policy

adjusters are applied. The tables also list the CY 2012 total payments under the current system and compute a payment to cost ratio that is then applied to the payments to arrive at estimated total costs. The current system payment to cost ratio and estimated costs in this section of the table were computed using a method of cost estimating which maps billed charges to specific cost centers in a standardized way. Individual hospitals may map charges differently when completing their cost reports. Therefore, a payment to cost ratio calculated by a hospital using their own methodology may be larger or smaller than the estimated ratios and costs shown in the table. However, the use of the standardized cost estimation methodology results in standardized costs that can be used to rank or compare hospitals within the model. For example, the payment to cost ratios for Healtheast St. Johns (49.3) and Healtheast Woodwinds (79.3) shown in the table likely do not match the ratios reflected on the hospital's filed cost reports. However the values in the Table 4 of Appendix C can be used to determine relative cost coverage between hospitals and to provide a good general description of magnitude of the cost coverage in each facility.

The next section of the tables, labeled "Estimated Impact – Before Transition and Buyback" shows the impacts of applying the new payment methodology to each hospital's 2012 claims once the claims have been grouped by the new APR-DRG grouper. This section shows the value of the total payments using the new payment system, the change in total payments from the old system both in dollars and as a percentage and computes a new payment to cost ratio using the same standardized cost estimating methodology used before.

The third section of the tables takes the estimated payments under the new system as computed in the previous section and applies the Transition factor. The Transition factor is the factor applied to the aggregate facility specific payments for each hospital to ensure that total facility specific payments do not increase by more than 5 percent or decrease by more than 3.2 percent when compared to the hospital's actual 2012 payments.

The last section of the tables applies the readmission buyback factor. The Readmission Buyback factor is equal to 1.10 for all non-children's hospitals and 1.0 for children's hospitals.

The last two columns in Table 4 of Appendix C and Appendix D show the total change in aggregate payments for each facility between actual 2012 payments under the old system and estimated payments (using the same claims) under the new system after the transition and readmission factors are applied. Hospitals within the tables are presented in order of the percentage change in total payments from greatest increase to greatest decrease in total payments under the new system compared to their 2012 payments. The impacts reflect over a decade of changes in hospital services and cost centers, mergers and acquisitions of hospitals by larger health care systems, and the significant movement of services from the inpatient to the outpatient setting. Many health systems have consolidated certain types of services to certain hospitals within their system, which will change the case mixes within the hospitals across their system. As a hospital's case mix changes, so will their payments. This is particularly evident with hospitals that over the past decade have become "regional hubs", such as the hospitals in Mankato, Bemidji, and St. Cloud. Taking on more high cost services and complex cases within their areas, combined with larger volumes of Medical Assistance patients result in increased payments for these facilities.

Payment Changes Effective SFY 2016

Our 2015 report identified six additional areas in which payment reform would ensure that hospital rates are aligned with state and federal policy objectives:

1. Revising the Disproportionate Share Hospital (DSH) payments
2. Establishing a redistribution process for DSH funds
3. Revising Critical Access Hospital (CAH) rates and eliminating settlements
4. Revising rates for vaginal and Cesarean Section (C-Section) deliveries
5. Simplifying claims payment for Rehabilitation and Long Term hospitals
6. Ensuring regular rebasing of hospital costs and rates

These areas were addressed during the 2015 legislative session.

Revising the Disproportionate Share Hospital Payment Methodology. Disproportionate Share Hospital (DSH) Payments are made to hospitals that provide a high volume of uncompensated care to Medical Assistance and uninsured patients. DSH payments to hospitals are limited at the facility level to the hospital's uncompensated costs for treating Medicaid patients and uninsured patients. This payment limit is referred to as the facility specific DSH limit. Effective for payments made in calendar year 2011, CMS requires states to accurately determine each DSH hospitals' facility specific DSH limit. CMS will not provide federal matching dollars for any DSH payment amounts that exceed the facility specific limit. The enforcement of this rule requires DHS to redistribute excess DSH funds to other eligible hospitals or to lose the federal funding associated with the DSH funds that cannot be fully paid out to DSH hospitals. Changes to the DSH methodology will also relieve small rural hospitals from the significant expense of filing CMS mandated DSH audit reports when the DSH funding they receive is not commensurate with the cost of completing the required audit.

Changes effective with SFY 2016. Effective with the 2015 rate year, disproportionate share hospital (DSH) payments are paid based on a new, budget-neutral methodology that uses 2012 as the base year. DSH payment amounts are determined using the following factors:

- For licensed children's hospitals, the number of MA fee-for-service discharges is used to place the hospital in one of two volume tiers.
    - Children's hospitals with fewer than 1,000 discharges will have a DSH factor of 0.7880,
    - Children's hospitals with more than 1,000 discharges will have a DHS factor of 0.8680. Children's hospitals are not eligible for any other DSH factors.
- Non-children's hospitals may qualify for an extended inpatient psychiatric contract factor, a transplant factor and one high volume tier factor.
    - The psychiatric contract factor of 0.0160 is allowed for DSH qualified hospitals that also contract with the Department for the provision of extended inpatient psychiatric services.
    - DSH qualified hospitals that perform at least twenty FFS MA transplants per year

qualify for a transplant DSH factor of 0.435.

- DSH qualified hospitals may also qualify for one of the following high volume tiers:
  - Hospitals with a Medicaid inpatient utilization rate (MIUR) of at least 20 percent and up to one standard deviation above the statewide average MIUR qualify for a DSH factor of 0.0486.
  - Hospitals with an MIUR that is between one standard deviation and three standard deviations above the statewide mean qualify for a DSH factor of 0.2300.
  - Hospitals with an MIUR equal to or above three standard deviations above the statewide average qualify for a DSH factor of 0.3711

Appendix E provides a hospital specific model of the impacts of the new DSH factors.

Finally, the Commissioner is authorized to redistribute any returned payments proportionate to the number of fee-for-service discharges, to other DSH-eligible non-children's hospitals that have a medical assistance utilization rate that is at least one standard deviation above the statewide mean.

Revising Critical Access Hospital Payments. The Centers for Medicare and Medicaid Services (CMS) created the critical access designation to ensure that rural beneficiaries would have access to acute care hospital services. Nearly six in ten hospitals across Minnesota are designated critical access hospitals by CMS. In 2012, MHCP recipients recorded over 2,500 admissions at 81 federally designated CAH, almost all of which were located in Minnesota. During the rebasing of the inpatient hospital rates, it was noted that the CAHs have lower patient volumes and generally treat patients with lower complexity. While the use of a cost based rate maintained stable payments to these providers, variation in cost across critical access hospitals was much greater than expected.

Changes Effective with SFY 2016. Effective for discharges on or after July 1, 2015, critical access hospitals located in Minnesota or the local trade area are paid using a new cost derived methodology. The new tiered per diem payment structure is designed to promote efficiency and cost-effectiveness.

- Rates for hospitals with 2012 base year payment to cost ratios at or below 80 percent will be a per diem rate targeted to reimburse 85 percent of base year inpatient costs.
- Rates for hospitals with 2012 base year payment to cost ratios above 80 percent and up to 90 percent will be a per diem rate targeted to reimburse 95 percent of base year inpatient costs.
- Rates for hospitals with 2012 base year payment to cost ratios above 90 percent will be a per diem rate targeted to reimburse 100 percent of base year inpatient costs.

Payment rates for critical access hospitals are set at a level that does not exceed the total inpatient cost for critical access hospitals as reflected in base year cost reports. The new methodology is set such that payment rates increased for all hospitals except hospitals that had payments that were greater than 100 percent of costs in the base year. Those hospitals had their per diem rates held to an amount that targeted 100 percent of the base year costs.

Critical Access Hospital rates are to be rebased every two years. Rates in non-rebasing years will be inflated using the midpoint measure of CMS' Inpatient Hospital Market Basket. In addition, DSH will no longer cost-settle outpatient hospital payments to Critical Access hospitals.

Appendix F provides a list of the cost to payment ratios and per diem amounts for each Critical Access Hospital.

Revising Payment Rates for Births. The old blended payment rate and limits on hospital payments for vaginal and cesarean deliveries did not reduce Medicaid C-section rates nor did it produce a rate that recognized complex deliveries and surgical births.

Changes Effective with SFY 2016. The $3,528 limit on payments for vaginal and cesarean section deliveries is eliminated effective for discharges on or after July 1, 2015.

Although there were no major updates to the legislation addressing rates for long term or rehabilitation hospitals, DHS' claims payment system is being modified to incorporate the new claims grouper and the programming associated with the payments for these hospitals will need to be updated to reflect the conversion to ICD-10. The updated rates are set to a rate that is equal to the rates paid to these facilities in 2012. In setting that rate, DHS has incorporated all rate reductions that applied to these hospitals through 2012 into the final rates. This is the same process that was applied to the DRG and critical access hospitals. By incorporating all previous rate reductions, the rates are more transparent to providers, more streamlined and easier to maintain going forward.

Finally, the rebasing exercise has demonstrated clearly the need for regular rebasing of hospital rates and costs. Updated hospital costs, patient mix, and relative values are essential to ensure hospital payment rates are fair and accurately reflect current data. The new inpatient payment system provides more streamlined methods to increase or decrease hospital payments in the future based on policy adjusters and service line adjustments.

IV. Conclusion

DHS has developed a payment methodology that meets the requirements set forth in Minnesota Statutes 256.969 subdivision 2b. The APR-DRG methodology incorporates Medicare cost and payment principles. The cost and charge data used to develop the methodology was limited to 2012 Medical Assistance covered claims from Minnesota and local trade area hospitals that are not critical access hospitals, long-term hospitals or rehabilitation hospitals. The value of the base rate payments and adjustments are budget neutral to the aggregate cost of the calendar year 2012 payments.

The methodology also applies the required transition period payment corridors that limit aggregate hospital specific payment increases or decreases to 5 percent. DHS was able to limit aggregate hospital specific payment decreases to 3.2 percent while still remaining with the budget neutral aggregate payments across all hospitals. Given the significant changes to some hospitals between the 2002 to 2012 base years and the uncertainty around the impacts associated with the ICD-10 conversion, the potential benefit to extending these payment corridors were recognized and the authority to employ the corridors was extended to the next rebasing. Going forward, an alternative could also be to gradually increase the corridors by a fixed percentage over time. For example, the corridors could be increased from 5 percent to 10 percent for discharges occurring on or after July 1, 2017.

DHS applied four policy adjustments to the base rate payments. The adjusters are targeted to services that are integral the Medical Assistance program and have a long history of legislative support, and address key services within the MA program, such as mental health, pediatric services, and obstetrics. Effective July 1, 2015, DHS updated the policy adjusters to reflect the changes in the disproportionate share hospital payment factors and the increased funding for mental health services. DHS' authority to implement or update policy adjuster factors expires on June 30, 2016.

DHS validated the payment rate methodology by simulating the payment amounts produced when the new methodology was applied to the calendar year 2013 inpatient claims from Minnesota and local trade area hospitals that are not critical access, long-term or rehabilitation hospitals. The model produced payments that were consistent with the 2012 claims used in the model simulations.

DHS further validated the payment rate methodology by simulating the payment amounts produced when the new methodology was applied to calendar year 2014 inpatient claims from Minnesota and local trade area hospitals that are not critical access, long-term or rehabilitation hospitals. The model produced payments that in the aggregate were consistent with the 2012 claims used in the model simulations.

Finally DHS worked collaboratively with stakeholders to develop and implement new payment methodologies for Disproportionate Share Hospital payments, payments for critical access hospitals, payments for obstetric services and payments for rehabilitation and long term hospitals. By doing so, DHS was able to address certain areas where gaps remained such as hospitals that provide high cost mental health services to highly complex patients, high volume transplant centers, rural obstetric hospitals that perform C-sections, and hospitals that have seen marked increases in their Medicaid patient volume over the past decade.

Appendixes

Appendix A: Acronyms

ACA Affordable Care Act
ALOS Average length of stay
APR-DRG: All Patient Refined Diagnosis Related Group System
CAH: Critical access hospital
CCR: Cost-to-charge ratio
CMI: Case-mix index
CY: Calendar year
DPA: Disproportionate patient adjustment
DPP: Disproportionate patient percentage
DRG: Diagnosis-related group
DSH: Disproportionate share hospital
FFY: Federal fiscal year
GME: Graduate medical education
HCO: High-cost outlier
HCUP: Healthcare Cost and Utilization Project
HIPPA: Health Insurance Portability and Accountability Act
ICD-9-CM: International Classification of Diseases, Ninth Revision, Clinical Modification
ICD-10-CM: International Classification of Diseases, Tenth Revision, Clinical Modification
IME: Indirect medical education
IPF: Inpatient psychiatric facility
IPPS: [Acute care hospital] Inpatient Prospective Payment System
IRF: Inpatient rehabilitation facility
LOS: Length of stay
LTC-DRG: Long-term care diagnosis-related group
LTCH: Long-term care hospital
MDC: Major diagnostic category
RY: Rate year
SFY: State fiscal year

Appendix B: Glossary

Accommodation service. "Accommodation service" means those inpatient hospital services included by a hospital in a daily room charge. They are composed of general routine services and special care units. These routine and special care units include the nursery, coronary, intensive, neonatal, rehabilitation, psychiatric, and chemical dependency units.

Admission. "Admission" means the time of birth at a hospital or the act that allows a recipient to officially enter a hospital to receive inpatient hospital services under the supervision of a physician who is a member of the medical staff.

Ancillary service. "Ancillary service" means inpatient hospital services that include laboratory and blood, radiology, anesthesiology, electrocardiology, electroencephalography, pharmacy and intravenous therapy, delivery and labor room, operating and recovery room, emergency room and outpatient clinic, observation beds, respiratory therapy, physical therapy, occupational therapy, speech therapy, medical supplies, renal dialysis, and psychiatric and chemical dependency services customarily charged in addition to an accommodation service charge.

Base year. "Base year" means a hospital's fiscal year or years that is recognized by Medicare from which cost and statistical data are used to establish rates.

Charges. "Charges" means the usual and customary payment requested by the hospital of the general public.

Cost outlier. "Cost outlier" means a claim with significantly higher costs.

Cost-to-charge ratio (CCR). "Cost-to-charge ratio" means a ratio of a hospital's allowable inpatient hospital costs to its allowable charges for inpatient hospital services, from the appropriate Medicare cost report.

Critical Access Hospital. "Critical access hospital" means inpatient hospital services that are provided by a hospital designated by Medicare as a critical access hospital.

Diagnostic categories. "Diagnostic categories" means the assignment of all patient-refined diagnosis-related groups (APR-DRGs). The DRG classifications must be assigned according to the base year discharge for inpatient hospital services under the APR-DRG, critical access, rehabilitation, and long term hospital methodologies.

Discharge. "Discharge" means the act that allows a recipient to officially leave a hospital.

Fixed-loss amount. “Fixed-loss amount” means the amount added to the base DRG payment to establish the outlier threshold amount.

Frontier State. “Frontier state” means a state where at least 50 percent of the counties have a population density of less than six people per square mile.

Frontier State Adjustment. The frontier state adjustment is a provision of the Affordable Care Act that requires CMS to adopt a hospital wage index that is not less than 1.0 for hospitals located in frontier states.

Healthcare Cost and Utilization Project (HCUP). "HCUP" is a family of health care databases and related tools for research and decision making. HCUP is sponsored by the Agency for Healthcare Research and Quality. It is the largest collection of longitudinal hospital care data in the United States, with all-payer, encounter-level information beginning in 1988.

Hospital outlier index. "Hospital outlier index" means a hospital adjustment factor used to calculate outlier payments to prevent the artificial increase in cost outlier payments from the base year to the rate year resulting from charge or cost increases above the Medicare estimated projected increases.

Inpatient hospital costs. "Inpatient hospital costs" means a hospital's base year inpatient hospital service costs determined allowable under the cost finding methods of Medicare.

Inpatient hospital service. "Inpatient hospital service" means a service provided by or under the supervision of a physician after a recipient's admission to a hospital and furnished in the hospital. This includes outpatient services provided by the same hospital that directly precede the admission.

Labor-related share. "Labor-related share" means an adjustment to the payment rate by a factor that reflects the relative differences in labor costs among geographic areas.

Local trade area hospital. "Local trade area hospital" means a hospital that is located in a state other than Minnesota, but in a contiguous county.

Long-term hospital. "Long-term hospital" means a Minnesota hospital or a local trade area hospital that meets the requirements under Code of Federal Regulations, title 42, part 412, section 23(e).

Low-Medicaid-volume Hospital. "Low-Medicaid-volume hospital" means a Minnesota or local trade area hospital with less than twenty Medical Assistance admissions in the base year.

Marginal cost factor. "Marginal cost factor" means a percentage of the estimated costs recognized above the outlier threshold amount.

Metropolitan statistical area hospital or MSA hospital. "Metropolitan statistical area hospital" or "MSA hospital" means a hospital located in a metropolitan statistical area as determined by Medicare for the October 1 prior to the most current rebased rate year.

Non-metropolitan statistical area hospital or non-MSA hospital. "Non-metropolitan statistical area hospital" or "non-MSA hospital" means a hospital that is not located in a Metropolitan statistical area as determined by Medicare for the October 1 prior to the most current rebased rate year.

Operating costs. "Operating costs" means all allowable operating costs.

Outlier threshold amount. "Outlier threshold amount" is equal to the sum of the hospital's standard payment rate and the fixed-loss amount.

Out-of-area hospital. "Out-of-area hospital" means a hospital that is located in a state other than Minnesota, excluding local trade area hospitals.

Policy Adjuster. "Policy adjuster" means an adjustment made to a specific range or subset of APR-DRGs based on category of service, age, or hospital type to allow for a payment adjustment to the specific APR-DRG or CAH claims.

Property Costs. "Property Costs" means inpatient hospital costs not subject to the hospital cost index, including depreciation, interest, rents and leases, property taxes and property insurance.

Policy Adjustment Factor. "Policy adjustment factor" means the base value of the specific policy adjuster as adopted by the Department.

Provider-Preventable Condition. "Provider–Preventable Condition" means a condition identified by the state for non-payment under Section 5.a. of Attachment 4.19-B which includes:

- Wrong surgical or other invasive procedure performed on a patient
- Surgical or other invasive procedure performed on the wrong body part
- Surgical or other invasive procedure performed on the wrong patient.

In compliance with 42 CFR 447.26(c), the State provides:

1. That no reduction in payment for a Provider Preventable Condition (PPC) will be imposed on a provider when the condition defined as a PPC for a particular patient existed prior to the initiation of treatment for that patient by that provider.
2. That reductions in provider payment may be limited to the extent that the following apply:
   a. The identified PPC would otherwise result in an increase in payment.
   b. The state can reasonably isolate for nonpayment the portion of the payment directly related to treatment for, and related to, the PPC.
   c. Assurance that non-payment for PPCs does not prevent access to services for Medicaid beneficiaries.

Rate year. "Rate year" means a calendar year from January 1 through December 31 in which the discharge occurred.

Rehabilitation Hospital. "Rehabilitation hospital" means inpatient hospital services that are provided by a hospital or unit designated by Medicare as a rehabilitation hospital or rehabilitation distinct part. The term rehabilitation hospital encompasses rehabilitation hospitals and rehabilitation distinct parts.

Relative Weight. “Relative weights” are weighted adjustments applied to the APR-DRG to reflect the resources required to provide a given service. The relative weights of APR-DRG hospitals and rehabilitation hospitals are based on APR-DRG “standard” national weights, developed by 3M based on Healthcare Cost and Utilization Project (HCUP) National Inpatient Sample (NIS) discharge data.

Severity of Illness. “Severity of illness” (SOI) means the extent of physiologic decompensation or organ system loss of function the extent of which is noted by the four distinct subclasses: 1 - Mild; 2 – Moderate; 3 – Major; 4 – Extreme. The higher SOI subclasses reflect higher utilization of hospital resources and are generally expected to incur greater costs.

Transfer. "Transfer" means the movement of a recipient after admission from one hospital directly to another hospital with a different provider number or to or from a rehabilitation hospital.

Transitional Period. “Transitional period” applies to the initial period of time for APR-DRG Hospitals and CAH Hospitals in Minnesota or local trade areas for discharges occurring on or after November 1, 2014 until June 30, 2016.

Wage Index. “Wage index” means an adjustment factor applied to the base rate to compensate for differences in hospital wage levels among geographic areas. The factor reflects the relative hospital wage level within the geographic area of the hospital compared to the national average hospital wage level. For areas with frontier state status the “Pre-floor Wage Index” is used.

Appendix C

Inpatient APR-DRG Payment Simulation Model

November 1, 2014 through June 30, 2015

Minnesota Department of Human Services

Proposed Inpatient APR-DRG Payment Model

Design Component	Description
Model claims data	CY 2012 Minnesota Medicaid inpatient acute and psychiatric FFS claims data from in-state and out-of-state LTA hospitals. Excludes COS values that are not 001, 014 or 073, Medicare dual eligibles, Major Program Codes that are not EH or MA, ungroupable DRG claims, LTAC claims, rehabilitation provider claims, $0 paid claims, CAH claims and out-of-state non-LTA provider claims.
DRG classification version	3M APR-DRG version 31.
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.
DRG base rates	Based on statewide standardized amount of $5,376.02 with labor portion adjusted by FFY 2014 Medicare 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.
Base payments	Calculated by multiplying the DRG base rate by the DRG relative weight.
Outlier payments	Calculated using 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 CCRs. - Claim outlier payment calculated based on 50% of outlier costs exceeding outlier threshold for all DRGs.
Transfer payments	Based on the Medicare IPPS pro-rated 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).
DSH payments	Calculated by multiplying the sum of the base payments and outlier payments by revised DPA factors, which are based on hospital FYE 2012 Medicare cost report data extracted from the HCRIS dataset. Statewide average MIUR is 14.69% and the provider standard deviation MIUR is 10.67%.
Assessment payments	Calculated as: (Base payment + outlier payment + DSH payment - TPL payment - Patient liability) * 2%
Policy adjusters	- Temporary mental Health DRG policy adjusters for 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 for non-children's providers is 1.15, set to make service line budget neutral. - Temporary "Other Pediatric" policy adjuster for children's providers is 1.60, set to make each provider at least budget neutral. - Non-metro provider APR-DRG 560 policy adjuster of 1.35, set to make the DRG budget neutral for these providers. - $5 newborn screening add-on. - $3,528 payment limit applied for Cesarean section DRG 540 claims (before DSH).

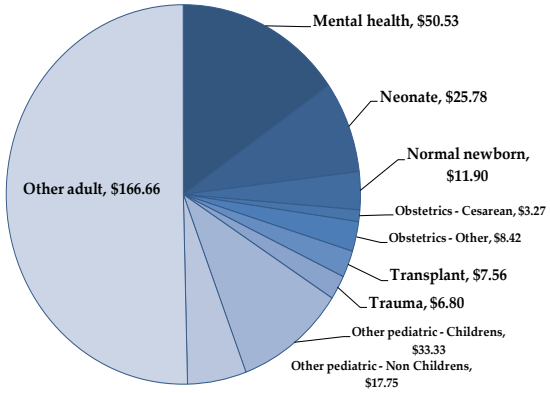
Table 2: Service Line Summary

Minnesota Department of Human Services

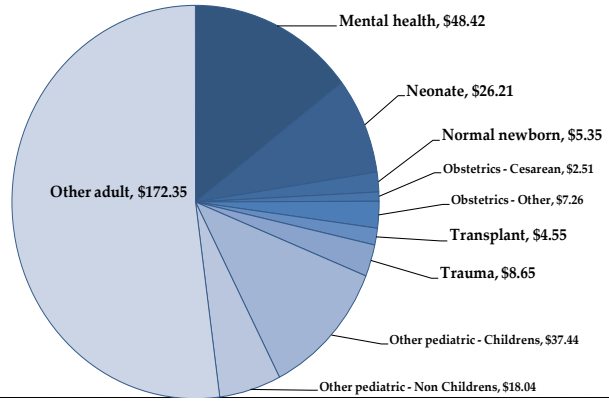
Proposed Inpatient APR-DRG Payment Model

	Calendar Year 2012 DRG Model FFS Claims Data					Simulated Payments Under New APR-DRG System - Before Transitional Adjustment or Buyback					
Policy Adjuster Categories	CY 2012 Discharges	APR-DRG CMI	Estimated Cost	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
1. Mental Health:											
SOI level 1	2,810	0.388	$ 21,300,047	$ 18,508,410	86.9%	2.25	$ 15,769,472	74.0%	$ (2,738,938)	-14.8%	
SOI level 2	3,512	0.550	39,839,814	27,438,590	68.9%	2.05	26,372,548	66.2%	(1,066,043)	-3.9%	
SOI level 3	469	0.835	6,428,802	3,552,341	55.3%	1.70	4,298,792	66.9%	746,451	21.0%	
SOI level 4	101	1.700	2,958,844	1,030,948	34.8%	1.55	1,983,821	67.0%	952,873	92.4%	
Mental Health Total	6,892	0.520	$ 70,527,507	$ 50,530,289	71.6%		$ 48,424,632	68.7%	$ (2,105,657)	-4.2%	
2. Neonate	1,113	2.475	$ 35,438,311	$ 25,784,466	72.8%	1.00	$ 26,207,434	74.0%	$ 422,968	1.6%	
3. Normal newborn	6,651	0.125	15,711,297	10,706,500	68.1%	1.00	5,345,691	34.0%	(5,360,809)	-50.1%	$5 screening add-on
4. Obstetrics - Cesarean (1)	707	0.643	6,410,099	3,273,070	51.1%	1.00	2,510,549	39.2%	(762,521)	-23.3%	Payment limit of $3,528 before DSH
5. Obstetrics - all other services	2,987	0.362	15,258,749	8,419,059	55.2%	Non-Metro: 1.35	7,259,810	47.6%	(1,159,249)	-13.8%	Applied to Non-Metro DRG 560 only
6. Transplant	50	9.588	7,176,887	7,555,708	105.3%	1.00	4,550,574	63.4%	(3,005,134)	-39.8%	
7.Trauma	464	2.443	12,063,225	6,795,420	56.3%	1.00	8,650,587	71.7%	1,855,167	27.3%	
8. Other pediatric DRGs - Children's providers	1,854	1.276	34,694,764	33,326,246	96.1%	1.60	37,435,954	107.9%	4,109,708	12.3%	Age 17 and under; excludes above categories
9. Other pediatric DRGs - Non-children's providers	2,186	1.002	24,221,647	17,752,111	73.3%	1.15	18,039,079	74.5%	286,968	1.6%	Age 17 and under; excludes above categories
10. Other adult DRGs	20,001	1.264	280,509,947	166,658,586	59.4%	1.00	172,350,569	61.4%	5,691,983	3.4%	
CY 2012 Analytical Dataset Total	**42,905**	**0.936**	**$ 502,012,433**	**$ 330,801,455**	**65.9%**		**$ 330,774,879**	**65.9%**	**$ (26,576)**	**0.0%**	

Current System Payments - $330.8 (in millions)



New System Payments - $330.8 (in millions)



*Estimated Costs and Pay-to-Cost Ratios for individual service lines may differ from hospital reported data due to the standardized method used to estimate costs.

Table 3: Transition Factor Summary

Minnesota Department of Human Services

Proposed Inpatient APR-DRG Payment Model

Estimated Payment Change Range	Number of Providers	CY 2012 Discharges	APR-DRG CMI	Estimated Cost	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
	Calendar Year 2012 DRG Model FFS Claims Data						Simulated Payments Under New APR-DRG System - Before Transitional Adjustment or Buyback			
Metro-Area Providers:										
25%+ Increase	7	2,122	1.009	$ 21,944,347	$ 11,246,703	51.3%	$ 15,021,211	68.5%	$ 3,774,508	33.6%
15% - 25% Increase	5	7,309	1.002	81,123,144	42,492,460	52.4%	51,432,955	63.4%	8,940,495	21.0%
5% - 15% Increase	5	3,156	0.970	37,529,982	22,293,286	59.4%	25,126,811	67.0%	2,833,526	12.7%
5% Decrease - 5%Increase	8	9,570	1.083	139,226,766	107,341,543	77.1%	107,575,022	77.3%	233,478	0.2%
5% - 15% Decrease	10	11,297	0.947	138,059,437	98,394,123	71.3%	87,479,286	63.4%	(10,914,836)	-11.1%
15% - 25% Decrease	6	3,252	1.060	47,508,119	28,428,366	59.8%	23,551,064	49.6%	(4,877,303)	-17.2%
25%+ Decrease	1	58	0.438	836,652	594,794	71.1%	351,226	42.0%	(243,569)	-41.0%
Metro Subtotal	**42**	**36,764**	**1.008**	**466,228,447**	**310,791,275**	**66.7%**	**310,537,574**	**66.6%**	**(253,701)**	**-0.1%**
Non-Metro Providers:										
25%+ Increase	1	700	0.684	$ 4,878,652	$ 2,478,715	50.8%	$ 3,217,930	66.0%	$ 739,215	29.8%
15% - 25% Increase	1	186	0.693	1,215,283	579,178	47.7%	676,892	55.7%	97,715	16.9%
5% - 15% Increase	3	1,701	0.533	8,199,715	4,840,546	59.0%	5,363,152	65.4%	522,606	10.8%
5% Decrease - 5%Increase	4	654	0.489	4,195,366	2,206,780	52.6%	2,194,210	52.3%	(12,570)	-0.6%
5% - 15% Decrease	9	2,285	0.436	14,030,534	8,053,851	57.4%	7,321,610	52.2%	(732,241)	-9.1%
15% - 25% Decrease	5	615	0.415	3,264,436	1,851,111	56.7%	1,463,511	44.8%	(387,599)	-20.9%
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%**	**20,237,305**	**56.6%**	**227,125**	**1.1%**
CY 2012 Analytical Dataset Total	**65**	**42,905**	**0.936**	**$ 502,012,433**	**$ 330,801,455**	**65.9%**	**$ 330,774,879**	**65.9%**	**$ (26,576)**	**0.0%**

Note: Provider counts rolled up by Medicare ID. As such a general acute provider with a distinct part unit would count as one provider in this summary.

Table 4: Facility Specific Description

*Estimated Costs and Pay-to-Cost Ratios for individual hospitals may differ from hospital reported data due to the standardized method used to estimate costs.

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

Sorted by Payment Change % Before Transition and Buyback

Medicare Provider Number	Hospital Name	Calendar Year 2012 DRG Model Data: CY 2012 Discharges	APR-DRG Case Mix - Unadjusted	APR-DRG Case Mix - With Policy Adjustments	Estimated Costs	Current System Total Payments	Legacy System Estimated Pay-to-Cost Ratio	Estimated Impact - Before Transition and Buyback: New System Total Payments	New System Estimated Pay to Cost Ratio	Estimated Payment Change	Estimated Payment Change Percentage
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%	1,711,962	70.8%	699,755	69.1%
520087	Gundersen Luth Med Ctr	109	1.526	1.586	1,672,357	663,200	39.7%	1,016,653	60.8%	353,453	53.3%
240056	Ridgeview Medical Center	220	0.676	0.680	1,423,555	631,938	44.4%	831,511	58.4%	199,573	31.6%
240093	Immanuel-St Josephs-Mayo Health System	700	0.684	0.760	4,878,652	2,478,715	50.8%	3,217,930	66.0%	739,215	29.8%
350011	Sanford Medical Center Fargo	954	1.228	1.281	10,607,169	5,510,126	51.9%	7,091,828	66.9%	1,581,702	28.7%
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%
240019	Smdc Medical Center	576	0.624	1.068	5,544,617	3,286,232	59.3%	4,179,917	75.4%	893,685	27.2%
240057	Abbott Northwestern Hospital Inc	2,141	1.028	1.155	25,669,470	11,975,368	46.7%	14,956,627	58.3%	2,981,259	24.9%
240063	St Joseph'S Hospital	963	0.862	1.035	10,130,431	5,419,316	53.5%	6,697,019	66.1%	1,277,703	23.6%
240036	St Cloud Hospital	1,715	0.913	0.995	16,249,348	9,286,331	57.1%	11,187,427	68.8%	1,901,097	20.5%
240001	North Memorial Health Care	1,909	1.148	1.213	23,264,307	12,705,389	54.6%	14,955,146	64.3%	2,249,757	17.7%
240078	Fairview Southdale Hospital	581	0.930	1.022	5,809,588	3,106,057	53.5%	3,636,735	62.6%	530,679	17.1%
240030	Douglas County Hospital	186	0.693	0.712	1,215,283	579,178	47.7%	676,892	55.7%	97,715	16.9%
243300	Gillette Childrens Specialty Hospital	427	1.430	2.104	11,992,975	8,416,192	70.2%	9,652,115	80.5%	1,235,923	14.7%
240040	University Medical Center-Mesabi/ Mesaba Clinics	319	0.522	0.725	2,428,578	1,211,030	49.9%	1,384,490	57.0%	173,460	14.3%
240100	North Country Regional Hospital	1,123	0.586	0.612	5,713,339	3,370,483	59.0%	3,807,300	66.6%	436,816	13.0%
240002	St Mary's Medical Center	1,168	1.156	1.174	12,634,600	7,606,274	60.2%	8,547,303	67.6%	941,029	12.4%
350019	Altru Hospital	255	1.066	1.096	2,933,863	1,341,022	45.7%	1,501,228	51.2%	160,206	11.9%
240210	Healtheast St John'S Hospital	987	0.670	0.674	7,539,965	3,718,767	49.3%	4,041,674	53.6%	322,907	8.7%
240141	Fairview Northland Regional Hospital	162	0.469	0.482	842,652	482,142	57.2%	516,853	61.3%	34,711	7.2%
240101	St Marys Regional Health Center	416	0.415	0.441	1,643,724	987,920	60.1%	1,038,999	63.2%	51,079	5.2%
240047	St Lukes Hospital	757	0.819	0.952	5,400,325	4,170,883	77.2%	4,372,569	81.0%	201,686	4.8%
430090	Sioux Falls Surgical Hospital Llp	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%	323,462	46.3%	14,482	4.7%
350070	Essentia Health-Fargo	284	1.037	1.044	2,756,875	1,503,567	54.5%	1,552,780	56.3%	49,213	3.3%
240071	District One Hospital	173	0.398	0.434	730,661	448,838	61.4%	458,678	62.8%	9,840	2.2%
240066	Lakeview Memorial Hospital	68	0.582	0.602	380,711	229,260	60.2%	231,960	60.9%	2,700	1.2%
240044	Winona Health Services	203	0.514	0.652	1,730,685	739,422	42.7%	747,893	43.2%	8,471	1.1%
243302	Childrens Health Care - Minneapolis	1,898	1.601	2.206	43,409,759	43,001,035	99.1%	43,254,927	99.6%	253,892	0.6%
240038	United Hospital	1,744	0.732	0.819	15,535,887	8,863,468	57.1%	8,887,994	57.2%	24,526	0.3%
430027	Sanford Usd Medical Center	147	1.385	1.423	2,227,292	1,214,781	54.5%	1,213,185	54.5%	(1,596)	-0.1%
240004	Hennepin County Medical Center	4,601	1.060	1.156	69,190,095	48,274,679	69.8%	47,965,756	69.3%	(308,923)	-0.6%
240052	Lake Region Healthcare Corporation	210	0.510	0.650	1,353,309	789,259	58.3%	755,678	55.8%	(33,581)	-4.3%
240207	Fairview Ridges Hospital	667	0.612	0.619	4,273,436	2,637,635	61.7%	2,504,238	58.6%	(133,397)	-5.1%
240132	Unity Hospital	945	0.755	0.757	8,176,720	4,558,748	55.8%	4,313,762	52.8%	(244,986)	-5.4%

Table 4: Facility Specific Description (continued)

*Estimated Costs and Pay-to-Cost Ratios for individual hospitals may differ from hospital reported data due to the standardized method used to estimate costs.

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

Transition Year 1 Ceiling:	**5.0%**
Transition Year 1 Floor:	**-3.2%**

Sorted by Payment Change % Before Transition and Buyback		**Estimated Impact - Transition Year 1 before Buyback**					**Estimated Impact - Transition Year 1 with Buyback**				
Medicare Provider Number	**Hospital Name**	**Transition Factor**	**Payments After Adjustment**	**New System Estimated Pay to Cost Ratio**	**Estimated Payment Change**	**Estimated Payment Change Percentage**	**Readmission Buyback Factor**	**Payments After Adjustment**	**New System Estimated Pay to Cost Ratio**	**Estimated Payment Change**	**Estimated Payment Change Percentage**
240196	Phillips Eye Institute	0.3912	$ 4,481	15.8%	$ 213	5.0%	1.10	$ 4,928.66	17.3%	$ 661	15.5%
430016	Avera Mckennan Hospital & University Health Center	0.6208	1,062,786	43.9%	50,579	5.0%	1.10	1,169,064	48.3%	156,857	15.5%
520087	Gundersen Luth Med Ctr	0.6850	696,408	41.6%	33,207	5.0%	1.10	766,048	45.8%	102,848	15.5%
240056	Ridgeview Medical Center	0.7980	663,546	46.6%	31,607	5.0%	1.10	729,900	51.3%	97,962	15.5%
240093	Immanuel-St Josephs-Mayo Health System	0.8088	2,602,662	53.3%	123,947	5.0%	1.10	2,862,928	58.7%	384,213	15.5%
350011	Sanford Medical Center Fargo	0.8158	5,785,513	54.5%	275,387	5.0%	1.10	6,364,065	60.0%	853,939	15.5%
430095	Avera Heart Hospital Of South Dakota Llc	0.8189	145,671	58.5%	6,939	5.0%	1.10	160,239	64.3%	21,506	15.5%
240019	Smdc Medical Center	0.8255	3,450,522	62.2%	164,290	5.0%	1.10	3,795,574	68.5%	509,342	15.5%
240057	Abbott Northwestern Hospital Inc	0.8407	12,574,036	49.0%	598,668	5.0%	1.10	13,831,440	53.9%	1,856,072	15.5%
240063	St Joseph'S Hospital	0.8497	5,690,457	56.2%	271,141	5.0%	1.10	6,259,503	61.8%	840,187	15.5%
240036	St Cloud Hospital	0.8716	9,750,962	60.0%	464,631	5.0%	1.10	10,726,058	66.0%	1,439,727	15.5%
240001	North Memorial Health Care	0.8920	13,339,990	57.3%	634,601	5.0%	1.10	14,673,989	63.1%	1,968,600	15.5%
240078	Fairview Southdale Hospital	0.8968	3,261,424	56.1%	155,367	5.0%	1.10	3,587,566	61.8%	481,510	15.5%
240030	Douglas County Hospital	0.8984	608,120	50.0%	28,942	5.0%	1.10	668,932	55.0%	89,754	15.5%
243300	Gillette Childrens Specialty Hospital	0.9156	8,837,477	73.7%	421,285	5.0%	1.00	8,837,477	73.7%	421,285	5.0%
240040	University Medical Center-Mesabi/ Mesaba Clinics	0.9184	1,271,516	52.4%	60,486	5.0%	1.10	1,398,668	57.6%	187,637	15.5%
240100	North Country Regional Hospital	0.9295	3,538,885	61.9%	168,402	5.0%	1.10	3,892,774	68.1%	522,290	15.5%
240002	St Mary's Medical Center	0.9344	7,986,600	63.2%	380,326	5.0%	1.10	8,785,260	69.5%	1,178,986	15.5%
350019	Altru Hospital	0.9379	1,408,002	48.0%	66,980	5.0%	1.10	1,548,802	52.8%	207,780	15.5%
240210	Healtheast St John'S Hospital	0.9661	3,904,662	51.8%	185,894	5.0%	1.10	4,295,128	57.0%	576,360	15.5%
240141	Fairview Northland Regional Hospital	0.9795	506,257	60.1%	24,115	5.0%	1.10	556,883	66.1%	74,741	15.5%
240101	St Marys Regional Health Center	0.9984	1,037,337	63.1%	49,416	5.0%	1.10	1,141,070	69.4%	153,150	15.5%
240047	St Lukes Hospital	1.0000	4,372,569	81.0%	201,686	4.8%	1.10	4,809,826	89.1%	638,943	15.3%
430090	Sioux Falls Surgical Hospital Llp	1.0000	4,350	57.0%	198	4.8%	1.10	4,784.88	62.7%	633	15.2%
240084	Virginia Regional Medical Center	1.0000	323,462	46.3%	14,482	4.7%	1.10	355,808	50.9%	46,828	15.2%
350070	Essentia Health-Fargo	1.0000	1,552,780	56.3%	49,213	3.3%	1.10	1,708,058	62.0%	204,491	13.6%
240071	District One Hospital	1.0000	458,678	62.8%	9,840	2.2%	1.10	504,546	69.1%	55,708	12.4%
240066	Lakeview Memorial Hospital	1.0000	231,960	60.9%	2,700	1.2%	1.10	255,156	67.0%	25,896	11.3%
240044	Winona Health Services	1.0000	747,893	43.2%	8,471	1.1%	1.10	822,682	47.5%	83,260	11.3%
243302	Childrens Health Care - Minneapolis	1.0000	43,254,927	99.6%	253,892	0.6%	1.00	43,254,927	99.6%	253,892	0.6%
240038	United Hospital	1.0000	8,887,994	57.2%	24,526	0.3%	1.10	9,776,793	62.9%	913,325	10.3%
430027	Sanford Usd Medical Center	1.0000	1,213,185	54.5%	(1,596)	-0.1%	1.10	1,334,503	59.9%	119,723	9.9%
240004	Hennepin County Medical Center	1.0000	47,965,756	69.3%	(308,923)	-0.6%	1.10	52,762,332	76.3%	4,487,653	9.3%
240052	Lake Region Healthcare Corporation	1.0110	763,991	56.5%	(25,268)	-3.2%	1.10	840,390	62.1%	51,131	6.5%
240207	Fairview Ridges Hospital	1.0196	2,553,322	59.7%	(84,314)	-3.2%	1.10	2,808,654	65.7%	171,018	6.5%
240132	Unity Hospital	1.0230	4,412,979	54.0%	(145,769)	-3.2%	1.10	4,854,277	59.4%	295,529	6.5%

Table 4: Facility Specific Description (continued)

*Estimated Costs and Pay-to-Cost Ratios for individual hospitals may differ from hospital reported data due to the standardized method used to estimate costs.

Minnesota Department of Human Services

Inpatient APR-DRG Payment Simulation Model

Provider Impact - Transition Year 1

Sorted by Payment Change % Before Transition and Buyback

		Calendar Year 2012 DRG Model Data						Estimated Impact - Before Transition and Buyback			
Medicare Provider Number	Hospital Name	CY 2012 Discharges	APR-DRG Case Mix - Unadjusted	APR-DRG Case Mix - With Policy Adjustments	Estimated Costs	Current System Total Payments	Legacy System Estimated Pay-to-Cost Ratio	New System Total Payments	New System Estimated Pay to Cost Ratio	Estimated Payment Change	Estimated Payment Change Percentage
240020	Cambridge Medical Center	388	0.502	0.667	2,718,363	1,762,174	64.8%	1,653,817	60.8%	(108,357)	-6.1%
240053	Park Nicollet Methodist Hospital	977	0.797	0.806	9,033,175	4,931,523	54.6%	4,602,626	51.0%	(328,896)	-6.7%
240069	Owatonna Hospital	301	0.401	0.517	1,877,868	1,029,035	54.8%	959,362	51.1%	(69,674)	-6.8%
240064	Grand Itasca Clinic And Hospital	142	0.566	0.588	762,515	508,575	66.7%	473,285	62.1%	(35,290)	-6.9%
240006	Olmsted Medical Center	213	0.296	0.322	1,107,531	538,400	48.6%	498,329	45.0%	(40,071)	-7.4%
240088	Rice Memorial Hospital	312	0.423	0.570	2,017,929	1,079,944	53.5%	996,990	49.4%	(82,954)	-7.7%
240104	St Francis Regional Medical Center	345	0.595	0.605	2,798,795	1,326,021	47.4%	1,213,844	43.4%	(112,177)	-8.5%
240117	Austin Medical Center	336	0.404	0.526	1,905,479	1,111,454	58.3%	1,017,360	53.4%	(94,094)	-8.5%
240075	Essentia Health St Joseph'S Medical Center	447	0.583	0.748	3,658,860	2,027,116	55.4%	1,837,566	50.2%	(189,549)	-9.4%
240014	Northfield Hospital	147	0.326	0.354	581,209	329,623	56.7%	295,944	50.9%	(33,679)	-10.2%
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%
240080	University Of Minnesota Medical Center, Fairview	3,333	1.272	1.469	59,448,638	45,677,246	76.8%	40,531,539	68.2%	(5,145,707)	-11.3%
240076	Buffalo Hospital	189	0.370	0.389	1,021,723	503,516	49.3%	446,564	43.7%	(56,952)	-11.3%
244xxx	PrairieCare LLC	82	0.418	0.913	861,873	497,549	57.7%	438,715	50.9%	(58,834)	-11.8%
240115	Mercy Hospital	1,487	0.844	0.957	15,185,899	9,821,184	64.7%	8,593,612	56.6%	(1,227,572)	-12.5%
240106	Regions Hospital	2,880	0.961	1.116	34,519,160	25,974,082	75.2%	22,553,385	65.3%	(3,420,697)	-13.2%
240187	Hutchinson Area Health Care	198	0.434	0.708	1,097,420	926,188	84.4%	796,211	72.6%	(129,978)	-14.0%
240010	Mayo Clinic - Saint Marys 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%	567,889	51.6%	(110,370)	-16.3%
240214	Maple Grove Hospital	507	0.442	0.444	2,820,495	1,616,102	57.3%	1,343,459	47.6%	(272,643)	-16.9%
240043	Naeve Hospital	210	0.367	0.383	952,746	522,478	54.8%	426,068	44.7%	(96,409)	-18.5%
240166	Fairmont Medical Center	90	0.522	0.540	514,841	312,057	60.6%	246,399	47.9%	(65,659)	-21.0%
240018	Fairview Red Wing Hospital	96	0.568	0.579	812,526	421,115	51.8%	330,658	40.7%	(90,456)	-21.5%
240059	Regina Medical Center	82	0.453	0.470	398,918	279,863	70.2%	216,725	54.3%	(63,138)	-22.6%
240061	Mayo Clinic - Methodist Hospital	478	0.991	0.994	7,259,845	3,881,541	53.5%	2,998,707	41.3%	(882,834)	-22.7%
240022	Sanford Regional Hospital Worthington	137	0.289	0.305	585,405	315,599	53.9%	243,661	41.6%	(71,937)	-22.8%
520004	Franciscan Skemp La Crosse Hsptl	34	0.702	0.789	241,870	201,491	83.3%	155,108	64.1%	(46,383)	-23.0%
240213	Healtheast Woodwinds Hospital	343	0.625	0.626	2,099,163	1,664,776	79.3%	1,249,954	59.5%	(414,822)	-24.9%
354005	Richard P. Stadter Psych Center	58	0.438	0.931	836,652	594,794	71.1%	351,226	42.0%	(243,569)	-41.0%
	CY 2012 Analytical Dataset Total	**42,905**	**0.936**	**1.066**	**$ 502,012,433**	**$ 330,801,455**	**65.9%**	**$ 330,774,879**	**65.9%**	**$ (26,576)**	**0.0%**

Note: 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.

Table 4: Facility Specific Description (continued)

*Estimated Costs and Pay-to-Cost Ratios for individual hospitals may differ from hospital reported data due to the standardized method used to estimate costs.

Minnesota Department of Human Services

Inpatient APR-DRG Payment Simulation Model

Provider Impact - Transition Year 1

Transition Year 1 Ceiling:	**5.0%**
Transition Year 1 Floor:	**-3.2%**

Sorted by Payment Change % Before Transition and Buyback

		Estimated Impact - Transition Year 1 before Buyback						Estimated Impact - Transition Year 1 with Buyback				
Medicare Provider Number	Hospital Name	Projected Transition Payments Under New System	Transition Factor	Payments After Adjustment	New System Estimated Pay to Cost Ratio	Estimated Payment Change	Estimated Payment Change Percentage	Readmission Buyback Factor	Payments After Adjustment	New System Estimated Pay to Cost Ratio	Estimated Payment Change	Estimated Payment Change Percentage
240020	Cambridge Medical Center	1,674,066	1.0314	1,705,747	62.7%	(56,427)	-3.2%	1.10	1,876,322	69.0%	114,148	6.5%
240053	Park Nicollet Methodist Hospital	4,684,946	1.0372	4,773,844	52.8%	(157,678)	-3.2%	1.10	5,251,229	58.1%	319,706	6.5%
240069	Owatonna Hospital	977,584	1.0383	996,105	53.0%	(32,930)	-3.2%	1.10	1,095,716	58.3%	66,680	6.5%
240064	Grand Itasca Clinic And Hospital	483,146	1.0402	492,311	64.6%	(16,264)	-3.2%	1.10	541,542	71.0%	32,967	6.5%
240006	Olmsted Medical Center	511,480	1.0458	521,152	47.1%	(17,248)	-3.2%	1.10	573,267	51.8%	34,867	6.5%
240088	Rice Memorial Hospital	1,025,947	1.0485	1,045,344	51.8%	(34,600)	-3.2%	1.10	1,149,879	57.0%	69,934	6.5%
240104	St Francis Regional Medical Center	1,259,720	1.0575	1,283,641	45.9%	(42,381)	-3.2%	1.10	1,412,005	50.5%	85,983	6.5%
240117	Austin Medical Center	1,055,881	1.0575	1,075,858	56.5%	(35,596)	-3.2%	1.10	1,183,443	62.1%	71,990	6.5%
240075	Essentia Health St Joseph'S Medical Center	1,925,760	1.0679	1,962,337	53.6%	(64,779)	-3.2%	1.10	2,158,571	59.0%	131,455	6.5%
240014	Northfield Hospital	313,142	1.0782	319,087	54.9%	(10,536)	-3.2%	1.10	350,996	60.4%	21,373	6.5%
354004	Prairie St. John's	1,147,561	1.0890	1,169,309	112.1%	(38,651)	-3.2%	1.10	1,286,239	123.3%	78,280	6.5%
240080	University Of Minnesota Medical Center, Fairview	43,393,384	1.0909	44,215,856	74.4%	(1,461,390)	-3.2%	1.10	48,637,442	81.8%	2,960,196	6.5%
240076	Buffalo Hospital	478,341	1.0915	487,425	47.7%	(16,092)	-3.2%	1.10	536,167	52.5%	32,651	6.5%
244xxx	PrairieCare LLC	472,672	1.0978	481,622	55.9%	(15,927)	-3.2%	1.10	529,784	61.5%	32,235	6.5%
240115	Mercy Hospital	9,330,125	1.1063	9,507,113	62.6%	(314,071)	-3.2%	1.10	10,457,825	68.9%	636,640	6.5%
240106	Regions Hospital	24,675,378	1.1148	25,142,513	72.8%	(831,569)	-3.2%	1.10	27,656,765	80.1%	1,682,683	6.5%
240187	Hutchinson Area Health Care	879,879	1.1260	896,533	81.7%	(29,655)	-3.2%	1.10	986,186	89.9%	59,998	6.5%
240010	Mayo Clinic - Saint Marys Hospital	19,366,888	1.1449	19,733,435	58.1%	(652,763)	-3.2%	1.10	21,706,778	63.9%	1,320,580	6.5%
240050	Fairview Lakes Health Services	644,346	1.1561	656,536	59.7%	(21,722)	-3.2%	1.10	722,190	65.7%	43,931	6.5%
240214	Maple Grove Hospital	1,535,297	1.1644	1,564,324	55.5%	(51,778)	-3.2%	1.10	1,720,756	61.0%	104,654	6.5%
240043	Naeve Hospital	496,354	1.1870	505,743	53.1%	(16,735)	-3.2%	1.10	556,317	58.4%	33,840	6.5%
240166	Fairmont Medical Center	296,454	1.2259	302,060	58.7%	(9,997)	-3.2%	1.10	332,266	64.5%	20,209	6.5%
240018	Fairview Red Wing Hospital	400,059	1.2328	407,636	50.2%	(13,479)	-3.2%	1.10	448,399	55.2%	27,285	6.5%
240059	Regina Medical Center	265,870	1.2500	270,906	67.9%	(8,957)	-3.2%	1.10	297,996	74.7%	18,134	6.5%
240061	Mayo Clinic - Methodist Hospital	3,687,464	1.2530	3,757,379	51.8%	(124,161)	-3.2%	1.10	4,133,117	56.9%	251,577	6.5%
240022	Sanford Regional Hospital Worthington	299,819	1.2538	305,503	52.2%	(10,096)	-3.2%	1.10	336,053	57.4%	20,454	6.5%
520004	Franciscan Skemp La Crosse Hsptl	191,416	1.2575	195,048	80.6%	(6,442)	-3.2%	1.10	214,553	88.7%	13,062	6.5%
240213	Healtheast Woodwinds Hospital	1,581,537	1.2892	1,611,441	76.8%	(53,335)	-3.2%	1.10	1,772,585	84.4%	107,809	6.5%
354005	Richard P. Stadter Psych Center	565,054	1.6393	575,764	68.8%	(19,030)	-3.2%	1.10	633,341	75.7%	38,546	6.5%
	CY 2012 Analytical Dataset Total	**$ 330,061,958**		**$330,832,730**	**65.9%**	**$31,275**	**0.0%**		**$358,706,763**	**71.5%**	**$27,905,307**	**8.4%**

Note: Provider with a distinct p

Note: 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.

Appendix D

Inpatient APR-DRG Payment Simulation Model

Effective July 1, 2015

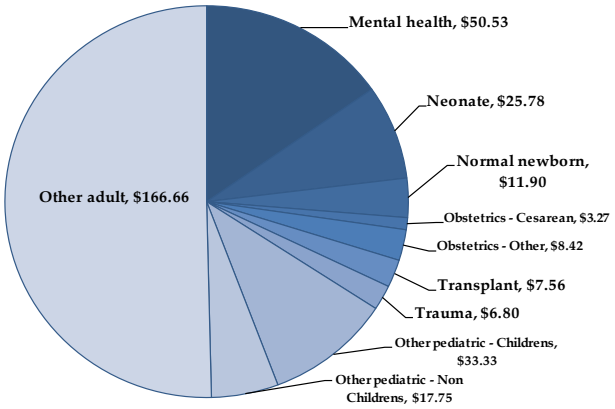
Minnesota Department of Human Services

Proposed Inpatient Model for Rates Effective July 1, 2015	
Design Component	**Description**
Model claims data	CY 2012 Minnesota Medicaid inpatient acute and psychiatric FFS claims data from in-state and out-of-state LTA hospitals. Excludes COS values that are not 001, 014 or 073, Medicare dual eligibles, Major Program Codes that are not EH or MA, ungroupable DRG claims, LTAC claims, rehabilitation provider claims, $0 paid claims, CAH claims and out-of-state non-LTA provider claims.
DRG classification version	3M APR-DRG version 31.
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 FFY 2014 Medicare 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 plus $1.1M for additional DSH payments and $2M for additional psychiatric DRG payments.
Relative weights	Based on 3M's version 31 APR-DRG "standard" national weights.
Simulated new system base DRG payments	Calculated by multiplying the DRG base rate by the DRG relative weight and applicable policy adjuster.
Simulated new system outlier payments	Calculated using 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 CCRs.
	- Claim outlier payment calculated based on 50% of outlier costs exceeding outlier threshold for all DRGs.
	- Cost-based outlier payment for charges allocated to 181+ day stays.
Simulated new system transfer payments	Based on the Medicare IPPS pro-rated 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 DPA factors. Revised DPA factors applied for in-state hospitals meeting one of the following criteria: - Children's providers - Major transplant providers - Psychiatric contract beds - High MA volume providers
Simulated new system assessment payments	Calculated for in-state providers as: (Base payment + outlier payment + DSH payment - TPL payment - Patient liability) * 2%
New system policy adjusters	- Temporary mental Health DRG policy adjusters for SOI levels 1/2/3/4 are 2.35/2.15/1.75/1.60 to achieve at least statewide average cost coverage plus $2M. - 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 - Charge cap on claims with TPL - No payment limit for Cesarean section DRG 540 claims
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 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 than shown in this analysis.*

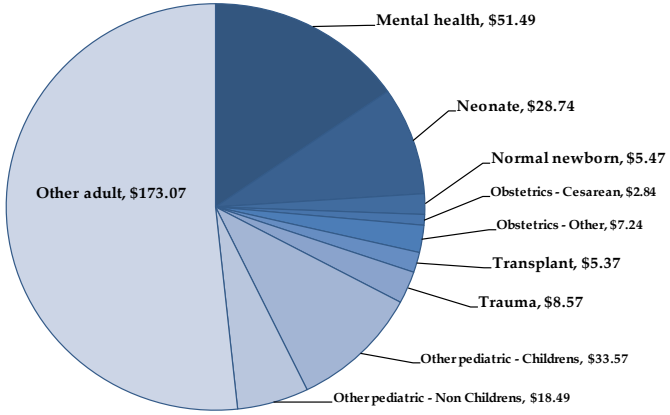
Table 2: Service Line Impact Summary

	Calendar Year 2012 DRG Model FFS Claims Data					Simulated Payments Under New APR-DRG System - Before Transitional Adjustment or					
Policy Adjuster Categories	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 [2]	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	
1. Mental Health:											
SOI level 1	2,810	0.388	$ 21,300,047	$ 18,508,410	86.9%	2.35	$ 16,679,161	78.3%	$ (1,829,249)	-9.9%	
SOI level 2	3,512	0.550	39,839,814	27,438,590	68.9%	2.15	28,185,006	70.7%	746,416	2.7%	
SOI level 3	469	0.835	6,428,802	3,552,341	55.3%	1.75	4,534,475	70.5%	982,134	27.6%	
SOI level 4	101	1.700	2,958,844	1,030,948	34.8%	1.60	2,086,554	70.5%	1,055,606	102.4%	
Mental Health Total	6,892	0.520	$ 70,527,507	$ 50,530,289	71.6%		$ 51,485,196	73.0%	$ 954,907	1.9%	
2. Neonate	1,113	2.475	$ 35,438,311	$ 25,784,466	72.8%	1.00	$ 28,735,801	81.1%	$ 2,951,335	11.4%	
3. Normal newborn	6,651	0.125	15,711,297	10,706,500	68.1%	1.00	5,473,013	34.8%	(5,233,487)	-48.9%	$5 screening add-on
4. Obstetrics - Cesarean	707	0.643	6,410,099	3,273,070	51.1%	1.00	2,840,694	44.3%	(432,376)	-13.2%	No C-Section payment limit applied
5. Obstetrics - all other services	2,987	0.362	15,258,749	8,419,059	55.2%	Non-Metro: 1.35	7,243,401	47.5%	(1,175,658)	-14.0%	Applied to Non-Metro DRG 560 only
6. Transplant	50	9.588	7,176,887	7,555,708	105.3%	1.00	5,368,815	74.8%	(2,186,893)	-28.9%	
7.Trauma	464	2.443	12,063,225	6,795,420	56.3%	1.00	8,573,518	71.1%	1,778,098	26.2%	
8. Other pediatric DRGs - Children's providers	1,854	1.276	34,694,764	33,326,246	96.1%	1.15	33,570,930	96.8%	244,684	0.7%	Under age 18; excludes above categories
9. Other pediatric DRGs - Non-children's providers	2,186	1.002	24,221,647	17,752,111	73.3%	1.15	18,493,057	76.3%	740,946	4.2%	Under age 18; excludes above categories
10. Other adult DRGs	20,001	1.264	280,509,947	166,658,586	59.4%	1.00	173,071,939	61.7%	6,413,354	3.8%	
CY 2012 Analytical Dataset Total	**42,905**	**0.936**	**$ 502,012,433**	**$ 330,801,455**	**65.9%**		**$ 334,856,365**	**66.7%**	**$ 4,054,910**	**1.2%**	

Current System Payments - $330.8 (in millions)



New System Payments - $334.9 (in millions)



Notes:

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 than shown in this analysis.
2. Actual payments under the new system may be different from simulated amounts due to changes in patient case mix, volume, and other factors.

Table 3: Transition Factor Summary

Estimated Payment Change Range	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[3]	New System Estimated Pay to Cost Ratio	Estimated Payment Change	Estimated Payment Change Percentage
	Calendar Year 2012 DRG Model FFS Claims Data						Simulated Payments Under New APR-DRG System - Before Transitional Adjustment or Buyback			
	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%	$ 30,782,668	65.3%	$ 7,651,407	33.1%
15% - 25% Increase	3	3,250	1.008	32,666,106	17,902,513	54.8%	21,307,556	65.2%	3,405,043	19.0%
5% - 15% Increase	4	4,383	0.997	45,867,450	25,241,461	55.0%	28,039,730	61.1%	2,798,269	11.1%
5% Decrease - 5%Increase	11	13,826	1.120	214,093,314	163,323,397	76.3%	162,730,899	76.0%	(592,498)	-0.4%
5% - 15% Decrease	10	9,403	0.945	112,106,536	72,555,681	64.7%	65,384,680	58.3%	(7,171,001)	-9.9%
15% - 25% Decrease	4	1,538	0.657	13,279,441	7,840,677	59.0%	6,151,131	46.3%	(1,689,547)	-21.5%
25%+ Decrease	2	92	0.536	1,078,522	796,285	73.8%	433,813	40.2%	(362,472)	-45.5%
Metro Subtotal	**42**	**36,764**	**1.008**	**466,228,447**	**310,791,275**	**66.7%**	**314,830,478**	**67.5%**	**4,039,203**	**1.3%**
Non-Metro Providers:										
25%+ Increase	1	700	0.684	$ 4,878,652	$ 2,478,715	50.8%	$ 3,103,654	63.6%	$ 624,939	25.2%
15% - 25% Increase	3	764	0.494	3,701,659	2,049,240	55.4%	2,379,408	64.3%	330,168	16.1%
5% - 15% Increase	1	1,123	0.586	5,713,339	3,370,483	59.0%	3,656,836	64.0%	286,353	8.5%
5% Decrease - 5%Increase	3	444	0.479	2,842,057	1,417,521	49.9%	1,420,565	50.0%	3,044	0.2%
5% - 15% Decrease	9	2,297	0.443	14,286,423	7,916,922	55.4%	7,215,558	50.5%	(701,363)	-8.9%
15% - 25% Decrease	6	813	0.420	4,361,856	2,777,299	63.7%	2,249,865	51.6%	(527,434)	-19.0%
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%**	**20,025,887**	**56.0%**	**15,707**	**0.1%**
CY 2012 Analytical Dataset Total	**65**	**42,905**	**0.936**	**$ 502,012,433**	**$ 330,801,455**	**65.9%**	**$ 334,856,365**	**66.7%**	**$ 4,054,910**	**1.2%**

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 than shown in this analysis.
3. Actual payments under the new system may be different from simulated amounts due to changes in patient case mix, volume, and other factors.

Table 4: Facility Specific Description

Sorted by Payment Change % Before Transition and Ratable

Medicare Provider Number [1]	Hospital Name	Calendar Year 2012 DRG Model Data: 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	Estimated Impact - New System Simulated Payments	New System Estimated Pay to Cost Ratio	Estimated Payment Change	Estimated Payment Change Percentage
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	251	1.007	1.279	2,419,105	1,012,207	41.8%	1,577,893	65.2%	565,686	55.9%
520087	Gundersen Luth Med Ctr	109	1.526	1.586	1,672,357	663,200	39.7%	939,103	56.2%	275,902	41.6%
240019	Smdc Medical Center	576	0.624	1.068	5,544,617	3,286,232	59.3%	4,650,241	83.9%	1,364,010	41.5%
240063	St Joseph'S Hospital	963	0.862	1.035	10,130,431	5,419,316	53.5%	7,455,512	73.6%	2,036,196	37.6%
240056	Ridgeview Medical Center	220	0.676	0.680	1,423,555	631,938	44.4%	829,747	58.3%	197,809	31.3%
240057	Abbott Northwestern Hospital Inc	2,141	1.028	1.155	25,669,470	11,975,368	46.7%	15,144,321	59.0%	3,168,952	26.5%
430095	Avera Heart Hospital Of South Dakota	10	3.968	3.968	249,121	138,733	55.7%	174,399	70.0%	35,666	25.7%
240093	Immanuel-St Josephs-Mayo Health System	700	0.684	0.760	4,878,652	2,478,715	50.8%	3,103,654	63.6%	624,939	25.2%
350011	Sanford Medical Center Fargo	954	1.228	1.281	10,607,169	5,510,126	51.9%	6,688,046	63.1%	1,177,920	21.4%
240078	Fairview Southdale Hospital	581	0.930	1.022	5,809,588	3,106,057	53.5%	3,723,987	64.1%	617,930	19.9%
240036	St Cloud Hospital	1,715	0.913	0.995	16,249,348	9,286,331	57.1%	10,895,523	67.1%	1,609,192	17.3%
240030	Douglas County Hospital	186	0.693	0.712	1,215,283	579,178	47.7%	677,779	55.8%	98,601	17.0%
240141	Fairview Northland Regional Hospital	162	0.469	0.482	842,652	482,142	57.2%	558,501	66.3%	76,360	15.8%
240101	St Marys Regional Health Center	416	0.415	0.441	1,643,724	987,920	60.1%	1,143,128	69.5%	155,208	15.7%
240040	University Medical Center-Mesabi	319	0.522	0.725	2,428,578	1,211,030	49.9%	1,365,457	56.2%	154,427	12.8%
240001	North Memorial Health Care	1,909	1.148	1.213	23,264,307	12,705,389	54.6%	14,289,611	61.4%	1,584,222	12.5%
240002	St Mary's Medical Center	1,168	1.156	1.174	12,634,600	7,606,274	60.2%	8,330,622	65.9%	724,348	9.5%
240210	Healtheast St John'S Hospital	987	0.670	0.674	7,539,965	3,718,767	49.3%	4,054,040	53.8%	335,272	9.0%
240100	North Country Regional Hospital	1,123	0.586	0.612	5,713,339	3,370,483	59.0%	3,656,836	64.0%	286,353	8.5%
243300	Gillette Childrens Specialty Hospital	427	1.430	2.104	11,992,975	8,416,192	70.2%	8,830,899	73.6%	414,707	4.9%
350019	Altru Hospital	255	1.066	1.096	2,933,863	1,341,022	45.7%	1,404,843	47.9%	63,821	4.8%
240020	Cambridge Medical Center	388	0.502	0.667	2,718,363	1,762,174	64.8%	1,823,758	67.1%	61,583	3.5%
430090	Sioux Falls Surgical Hospital	1	0.886	0.890	7,633	4,152	54.4%	4,287	56.2%	135	3.2%
240047	St Lukes Hospital	757	0.819	0.952	5,400,325	4,170,883	77.2%	4,302,049	79.7%	131,167	3.1%
240084	Virginia Regional Medical Center	138	0.417	0.425	698,900	308,980	44.2%	316,737	45.3%	7,757	2.5%
240038	United Hospital	1,744	0.732	0.819	15,535,887	8,863,468	57.1%	9,054,535	58.3%	191,067	2.2%
240066	Lakeview Memorial Hospital	68	0.582	0.602	380,711	229,260	60.2%	233,154	61.2%	3,893	1.7%
243302	Childrens Health Care - Minneapolis	1,898	1.601	2.206	43,409,759	43,001,035	99.1%	43,308,378	99.8%	307,343	0.7%
240044	Winona Health Services	203	0.514	0.652	1,730,685	739,422	42.7%	743,800	43.0%	4,378	0.6%
350070	Essentia Health-Fargo	284	1.037	1.044	2,756,875	1,503,567	54.5%	1,504,211	54.6%	645	0.0%
240071	District One Hospital	173	0.398	0.434	730,661	448,838	61.4%	443,611	60.7%	(5,227)	-1.2%
240004	Hennepin County Medical Center	4,601	1.060	1.156	69,190,095	48,274,679	69.8%	47,637,322	68.8%	(637,357)	-1.3%
240080	University Of Minnesota, Fairview	3,333	1.272	1.469	59,448,638	45,677,246	76.8%	44,543,880	74.9%	(1,133,366)	-2.5%
240069	Owatonna Hospital	301	0.401	0.517	1,877,868	1,029,035	54.8%	967,183	51.5%	(61,852)	-6.0%
240106	Regions Hospital	2,880	0.961	1.116	34,519,160	25,974,082	75.2%	24,353,523	70.6%	(1,620,559)	-6.2%
240053	Park Nicollet Methodist Hospital	977	0.797	0.806	9,033,175	4,931,523	54.6%	4,622,189	51.2%	(309,333)	-6.3%
240052	Lake Region Healthcare	210	0.510	0.650	1,353,309	789,259	58.3%	735,684	54.4%	(53,576)	-6.8%
240006	Olmsted Medical Center	213	0.296	0.322	1,107,531	538,400	48.6%	499,653	45.1%	(38,746)	-7.2%
240132	Unity Hospital	945	0.755	0.757	8,176,720	4,558,748	55.8%	4,229,924	51.7%	(328,825)	-7.2%
244016	PrairieCare LLC	82	0.418	0.913	861,873	497,549	57.7%	458,770	53.2%	(38,779)	-7.8%
240064	Grand Itasca Clinic And Hospital	142	0.566	0.588	762,515	508,575	66.7%	465,796	61.1%	(42,778)	-8.4%
240117	Austin Medical Center	336	0.404	0.526	1,905,479	1,111,454	58.3%	1,015,730	53.3%	(95,723)	-8.6%
430027	Sanford Usd Medical Center	147	1.385	1.423	2,227,292	1,214,781	54.5%	1,107,185	49.7%	(107,595)	-8.9%
240104	St Francis Regional Medical Center	345	0.595	0.605	2,798,795	1,326,021	47.4%	1,207,905	43.2%	(118,116)	-8.9%

Table 4: Facility Specific Description (continued)

Medicare Provider ID [1]	Hospital Name	Estimated Impact - With Ratable Adjustment Before Transition					Estimated Impact - Transition Year 2 With Ratable Adjustment				
		Ratable Adjmt 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 [5]	New System Estimated Pay to Cost Ratio	Estimated Payment Change	Estimated Payment Change Percentage
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	1.10	1,730,655	71.5%	718,448	71.0%	0.6736	1,165,769	48.2%	153,562	15.2%
520087	Gundersen Luth Med Ctr	1.10	1,032,981	61.8%	369,781	55.8%	0.7415	765,955	45.8%	102,755	15.5%
240019	Smdc Medical Center	1.10	5,085,851	91.7%	1,799,619	54.8%	0.7420	3,773,702	68.1%	487,470	14.8%
240063	St Joseph'S Hospital	1.10	8,154,960	80.5%	2,735,645	50.5%	0.7632	6,223,866	61.4%	804,550	14.8%
240056	Ridgeview Medical Center	1.10	912,372	64.1%	280,433	44.4%	0.7997	729,624	51.3%	97,685	15.5%
240057	Abbott Northwestern Hospital Inc	1.10	16,591,101	64.6%	4,615,733	38.5%	0.8303	13,775,591	53.7%	1,800,223	15.0%
430095	Avera Heart Hospital Of South Dakota	1.10	191,839	77.0%	53,106	38.3%	0.8353	160,243	64.3%	21,510	15.5%
240093	Immanuel-St Josephs-Mayo	1.10	3,403,665	69.8%	924,950	37.3%	0.8386	2,854,313	58.5%	375,598	15.2%
350011	Sanford Medical Center Fargo	1.10	7,280,627	68.6%	1,770,501	32.1%	0.8651	6,298,470	59.4%	788,344	14.3%
240078	Fairview Southdale Hospital	1.10	4,063,188	69.9%	957,131	30.8%	0.8758	3,558,540	61.3%	452,483	14.6%
240036	St Cloud Hospital	1.10	11,964,177	73.6%	2,677,847	28.8%	0.8949	10,706,742	65.9%	1,420,412	15.3%
240030	Douglas County Hospital	1.10	745,463	61.3%	166,286	28.7%	0.8972	668,830	55.0%	89,652	15.5%
240141	Fairview Northland Regional Hospital	1.10	614,232	72.9%	132,090	27.4%	0.9064	556,740	66.1%	74,598	15.5%
240101	St Marys Regional Health Center	1.10	1,256,549	76.4%	268,629	27.2%	0.9074	1,140,192	69.4%	152,272	15.4%
240040	University Medical Center-Mesabi	1.10	1,501,917	61.8%	290,887	24.0%	0.9312	1,398,585	57.6%	187,555	15.5%
240001	North Memorial Health Care	1.10	15,678,428	67.4%	2,973,039	23.4%	0.9336	14,637,380	62.9%	1,931,991	15.2%
240002	St Mary's Medical Center	1.10	9,095,714	72.0%	1,489,439	19.6%	0.9587	8,720,061	69.0%	1,113,786	14.6%
240210	Healtheast St John'S Hospital	1.10	4,458,612	59.1%	739,844	19.9%	0.9632	4,294,535	57.0%	575,767	15.5%
240100	North Country Regional Hospital	1.10	4,021,920	70.4%	651,437	19.3%	0.9678	3,892,414	68.1%	521,931	15.5%
243300	Gillette Childrens Specialty Hospital	1.00	8,830,899	73.6%	414,707	4.9%	1.0000	8,830,899	73.6%	414,707	4.9%
350019	Altru Hospital	1.10	1,540,719	52.5%	199,696	14.9%	1.0000	1,540,719	52.5%	199,696	14.9%
240020	Cambridge Medical Center	1.10	2,005,127	73.8%	242,953	13.8%	1.0000	2,005,127	73.8%	242,953	13.8%
430090	Sioux Falls Surgical Hospital	1.10	4,716	61.8%	563	13.6%	1.0000	4,716	61.8%	563	13.6%
240047	St Lukes Hospital	1.10	4,727,063	87.5%	556,181	13.3%	1.0000	4,727,063	87.5%	556,181	13.3%
240084	Virginia Regional Medical Center	1.10	348,320	49.8%	39,340	12.7%	1.0000	348,320	49.8%	39,340	12.7%
240038	United Hospital	1.10	9,947,714	64.0%	1,084,246	12.2%	1.0000	9,947,714	64.0%	1,084,246	12.2%
240066	Lakeview Memorial Hospital	1.10	256,420	67.4%	27,160	11.8%	1.0000	256,420	67.4%	27,160	11.8%
243302	Childrens Health Care - Minneapolis	1.00	43,308,378	99.8%	307,343	0.7%	1.0000	43,308,378	99.8%	307,343	0.7%
240044	Winona Health Services	1.10	817,777	47.3%	78,354	10.6%	1.0000	817,777	47.3%	78,354	10.6%
350070	Essentia Health-Fargo	1.10	1,654,471	60.0%	150,905	10.0%	1.0000	1,654,471	60.0%	150,905	10.0%
240071	District One Hospital	1.10	487,822	66.8%	38,983	8.7%	1.0077	491,578	67.3%	42,740	9.5%
240004	Hennepin County Medical Center	1.10	51,689,339	74.7%	3,414,660	7.1%	1.0093	52,170,050	75.4%	3,895,371	8.1%
240080	University Of Minnesota, Fairview	1.10	47,988,536	80.7%	2,311,290	5.1%	1.0213	49,010,692	82.4%	3,333,446	7.3%
240069	Owatonna Hospital	1.10	1,063,504	56.6%	34,469	3.3%	1.0597	1,126,996	60.0%	97,960	9.5%
240106	Regions Hospital	1.10	26,642,508	77.2%	668,426	2.6%	1.0623	28,302,336	82.0%	2,328,254	9.0%
240053	Park Nicollet Methodist Hospital	1.10	5,076,640	56.2%	145,118	2.9%	1.0627	5,394,946	59.7%	463,423	9.4%
240052	Lake Region Healthcare	1.10	808,198	59.7%	18,939	2.4%	1.0685	863,560	63.8%	74,301	9.4%
240006	Olmsted Medical Center	1.10	549,381	49.6%	10,981	2.0%	1.0732	589,596	53.2%	51,196	9.5%
240132	Unity Hospital	1.10	4,640,487	56.8%	81,739	1.8%	1.0734	4,981,099	60.9%	422,351	9.3%
244016	PrairieCare LLC	1.10	504,647	58.6%	7,098	1.4%	1.0802	545,120	63.2%	47,571	9.6%
240064	Grand Itasca Clinic And Hospital	1.10	512,168	67.2%	3,594	0.7%	1.0875	556,983	73.0%	48,409	9.5%
240117	Austin Medical Center	1.10	1,116,622	58.6%	5,169	0.5%	1.0899	1,217,007	63.9%	105,553	9.5%
430027	Sanford Usd Medical Center	1.10	1,199,604	53.9%	(15,176)	-1.2%	1.0928	1,310,927	58.9%	96,147	7.9%
240104	St Francis Regional Medical Center	1.10	1,325,261	47.4%	(761)	-0.1%	1.0934	1,449,040	51.8%	123,019	9.3%

Table 4: Facility Specific Description (continued)

Sorted by Payment Change % Before Transition and Ratable		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
240075	Essentia Health St Joseph's Medical Center	447	0.583	0.748	3,658,860	2,027,116	55.4%	1,840,428	50.3%	(186,688)	-9.2%
240207	Fairview Ridges Hospital	667	0.612	0.619	4,273,436	2,637,635	61.7%	2,394,112	56.0%	(243,523)	-9.2%
354004	Prairie St. John's	193	0.554	1.076	1,043,376	1,207,959	115.8%	1,094,641	104.9%	(113,319)	-9.4%
240014	Northfield Hospital	147	0.326	0.354	581,209	329,623	56.7%	298,508	51.4%	(31,115)	-9.4%
240088	Rice Memorial Hospital	312	0.423	0.570	2,017,929	1,079,944	53.5%	963,976	47.8%	(115,968)	-10.7%
240115	Mercy Hospital	1,487	0.844	0.957	15,185,899	9,821,184	64.7%	8,529,159	56.2%	(1,292,025)	-13.2%
240010	Mayo Clinic - Saint Marys Hospital	1,680	1.435	1.573	33,986,809	20,386,198	60.0%	17,387,271	51.2%	(2,998,928)	-14.7%
240076	Buffalo Hospital	189	0.370	0.389	1,021,723	503,516	49.3%	428,599	41.9%	(74,917)	-14.9%
240022	Sanford Regional Hospital Worthington	137	0.289	0.305	585,405	315,599	53.9%	266,591	45.5%	(49,008)	-15.5%
240187	Hutchinson Area Health Care	198	0.434	0.708	1,097,420	926,188	84.4%	778,425	70.9%	(147,763)	-16.0%
240050	Fairview Lakes Health Services	210	0.469	0.473	1,099,938	678,259	61.7%	560,477	51.0%	(117,782)	-17.4%
240214	Maple Grove Hospital	507	0.442	0.444	2,820,495	1,616,102	57.3%	1,333,906	47.3%	(282,196)	-17.5%
240166	Fairmont Medical Center	90	0.522	0.540	514,841	312,057	60.6%	247,009	48.0%	(65,049)	-20.8%
240043	Naeve Hospital	210	0.367	0.383	952,746	522,478	54.8%	411,325	43.2%	(111,152)	-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%	217,704	54.6%	(62,159)	-22.2%
240061	Mayo Clinic - Methodist Hospital	478	0.991	0.994	7,259,845	3,881,541	53.5%	3,005,011	41.4%	(876,530)	-22.6%
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 Hsptl	34	0.702	0.789	241,870	201,491	83.3%	146,793	60.7%	(54,698)	-27.1%
354005	Richard P. Stadter Psych Center	58	0.438	0.931	836,652	594,794	71.1%	287,020	34.3%	(307,774)	-51.7%
	CY 2012 Analytical Dataset Total	**42,905**	**0.936**	**1.066**	**$ 502,012,433**	**$ 330,801,455**	**65.9%**	**$ 334,856,365**	**66.7%**	**$ 4,054,910**	**1.2%**

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.

Table 4: Facility Specific Description (continued)

Sorted by Payment Change % Before Transition and Ratable		Estimated Impact - With Ratable Adjustment Before Transition					Estimated Impact - Transition Year 2 With Ratable Adjustment				
Medicare Provider Number [1]	Hospital Name	Ratable Adjmt 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 [5]	New System Estimated Pay to Cost Ratio	Estimated Payment Change	Estimated Payment Change Percentage
240075	Essentia Health St Joseph's Medical Center	1.10	2,023,669	55.3%	(3,447)	-0.2%	1.0970	2,219,965	60.7%	192,849	9.5%
240207	Fairview Ridges Hospital	1.10	2,625,539	61.4%	(12,097)	-0.5%	1.0973	2,881,004	67.4%	243,368	9.2%
354004	Prairie St. John's	1.10	1,203,453	115.3%	(4,507)	-0.4%	1.0991	1,322,715	126.8%	114,756	9.5%
240014	Northfield Hospital	1.10	328,213	56.5%	(1,410)	-0.4%	1.0998	360,969	62.1%	31,346	9.5%
240088	Rice Memorial Hospital	1.10	1,059,209	52.5%	(20,735)	-1.9%	1.1158	1,181,865	58.6%	101,921	9.4%
240115	Mercy Hospital	1.10	9,370,953	61.7%	(450,232)	-4.6%	1.1469	10,747,546	70.8%	926,361	9.4%
240010	Mayo Clinic - Saint Marys Hospital	1.10	18,901,918	55.6%	(1,484,280)	-7.3%	1.1678	22,073,660	64.9%	1,687,462	8.3%
240076	Buffalo Hospital	1.10	470,850	46.1%	(32,667)	-6.5%	1.1701	550,942	53.9%	47,425	9.4%
240022	Sanford Regional Hospital Worthington	1.10	292,877	50.0%	(22,721)	-7.2%	1.1791	345,332	59.0%	29,733	9.4%
240187	Hutchinson Area Health Care	1.10	856,064	78.0%	(70,124)	-7.6%	1.1851	1,014,521	92.4%	88,333	9.5%
240050	Fairview Lakes Health Services	1.10	615,023	55.9%	(63,235)	-9.3%	1.2053	741,287	67.4%	63,029	9.3%
240214	Maple Grove Hospital	1.10	1,466,806	52.0%	(149,296)	-9.2%	1.2067	1,769,994	62.8%	153,892	9.5%
240166	Fairmont Medical Center	1.10	271,659	52.8%	(40,398)	-12.9%	1.2583	341,828	66.4%	29,771	9.5%
240043	Naeve Hospital	1.10	452,248	47.5%	(70,229)	-13.4%	1.2651	572,139	60.1%	49,662	9.5%
240018	Fairview Red Wing Hospital	1.10	361,614	44.5%	(59,501)	-14.1%	1.2756	461,275	56.8%	40,160	9.5%
240059	Regina Medical Center	1.10	239,424	60.0%	(40,439)	-14.4%	1.2804	306,558	76.8%	26,695	9.5%
240061	Mayo Clinic - Methodist Hospital	1.10	3,287,425	45.3%	(594,115)	-15.3%	1.2865	4,229,272	58.3%	347,732	9.0%
240213	Healtheast Woodwinds Hospital	1.10	1,376,732	65.6%	(288,044)	-17.3%	1.3247	1,823,757	86.9%	158,981	9.5%
520004	Franciscan Skemp La Crosse Hsptl	1.10	161,464	66.8%	(40,027)	-19.9%	1.3671	220,737	91.3%	19,247	9.6%
354005	Richard P. Stadter Psych Center	1.10	315,266	37.7%	(279,528)	-47.0%	2.0640	650,709	77.8%	55,915	9.4%
	CY 2012 Analytical Dataset Total		**$ 360,523,577**	**71.8%**	**$29,722,122**	**9.0%**		**$ 360,594,090**	**71.8%**	**$29,792,635**	**9.0%**

Notes:

(3) Ratable adjustment of 10 percent effective 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 second year of APR-DRG system such that no provider has greater than a 5 percent estimated gain or less than a 0.4 percent loss, before the 10% ratable adjustment is applied.

(5) Actual payments under the new system may be different from simulated amounts due to changes in patient case mix, volume, and other factors.

Appendix E

Disproportionate Share Hospital Payment Simulation Model

Effective July 1, 2015

Minnesota Department of Human Services
2012 Inpatient Rebasing Model (APR-DRG)
Revised DSH Policy Model
Children's Hospitals

Revised DSH Model - Final Policy Version

		Children's DSH Factor Provider Specific		Simulated APR-DRG Payments With DSH				
Medicare Provider Number	Hospital Name	DSH Factor	DSH Payment	Consolidated DSH Factor	Total DSH Payments Plus Assessment	Total Payments With DSH	Estimated Payment Change	Estimated Payment Change Percentage
		1	2	11	12	13	14	15
243300	Gillette Children's Specialty Hospital	0.7880	3,896,861	**0.7880**	3,896,861	8,836,790	420,598	5.0%
243302	Children's Health Care (Mps & St.P)	0.8680	20,116,038	**0.8680**	20,116,038	43,263,150	262,115	0.6%
	Total for Children's Hospitals		**$ 24,012,899**		**$ 25,344,890**	**$ 80,057,717**		

Column Notes

1-2 Applies to licensed Children's Hospitals - Children's Hospitals are not eligible for any other DSH factor

11 Sum of all applicable DSH factors for each hospital

12-13 Total Revised DSH payments, Total new APR-DRG system payment plus Revised DSH amounts (before transition and buyback factors)

14 Estimated dollar change in payment from total CY 2012 legacy system payments (before transition and buyback factors)

15 Estimated percentage change in payments from CY 2012 legacy system (before transition and buyback factors)

Minnesota Department of Human Services
2012 Inpatient Rebasing Model (APR-DRG)
Revised DSH Policy Model
Mental Health Contract Beds

Revised DSH Model - Final Policy Version

Contract Beds DSH
0.0160

Simulated APR-DRG Payments With DSH

Medicare Provider Number	Hospital Name	DSH Factor	DSH Payment	Consolidated DSH Factor	Total DSH Payments Plus Assessment	Total Payments With DSH	Estimated Payment Change	Estimated Payment Change Percentage
		3	4	11	12	13	14	15
240057	Abbott Northwestern Hospital Inc	0.0160	236,061	**0.0160**	236,061	14,988,443	3,013,075	25.2%
240078	Fairview Southdale Hospital	0.0160	58,186	**0.0160**	58,186	3,694,921	588,865	19.0%
240044	Winona Health Services	0.0160	11,495	**0.0160**	11,495	730,045	(9,378)	-1.3%
	Sub-Total for Contract Bed Only Hospitals		***$ 305,742***		***$ 305,742***	***$ 19,413,409***		
	Total for Contract Bed DSH Factor		**$ 2,317,230**					

Column Notes

3-4 Applies to hospitals with contracted psych beds as of 1/1/14
11 Sum of all applicable DSH factors for each hospital
12-13 Total Revised DSH payments, Total new APR-DRG system payment plus Revised DSH amounts (before transition and buyback factors)
14 Estimated dollar change in payment from total CY 2012 legacy system payments (before transition and buyback factors)
15 Estimated percentage change in payments from CY 2012 legacy system (before transition and buyback factors)

Minnesota Department of Human Services
2012 Inpatient Rebasing Model (APR-DRG)
Revised DSH Policy Model
Transplant Hospitals
Revised DSH Model - Final Policy Version

Transplant DSH Factor	*1 STD DEV & Above Factor*
0.0435	**0.2300**

Simulated APR-DRG Payments With DSH

Medicare Provider Number	Hospital Name	DSH Factor	DSH Payment	DSH Factor	DSH Payment	Consolidated DSH Factor	Total DSH Payments Plus Assessment	Total Payments With DSH	Estimated Payment Change	Estimated Payment Change Percentage
		5	6	9	10	11	12	13	14	15
240080	University of Minnesota, Fairview	0.0435	1,466,090	0.2300	7,751,743	**0.2895**	9,757,085	43,451,738	(2,225,508)	-4.9%

Total for Transplant Factor **$ 1,466,090**

Column Notes

5-6 Applies to hospitals with high volume of FFS transplants (n>20)
9-10 Applies to hospitals with total (FFS and PMAP) MIUR of 25.36% and above (1 Standard Deviation above Mean)
11 Sum of all applicable DSH factors for each hospital
12-13 Total Revised DSH payments, Total new APR-DRG system payment plus Revised DSH amounts (before transition and buyback factors)
14 Estimated dollar change in payment from total CY 2012 legacy system payments (before transition and buyback factors)
15 Estimated percentage change in payments from CY 2012 legacy system (before transition and buyback factors)

Minnesota Department of Human Services
2012 Inpatient Rebasing Model (APR-DRG)
Revised DSH Policy Model
High Volume Hospitals with Contract Beds
Revised DSH Model - Final Policy Version

						0.3711	*3 STD DEV*					
		Contract Beds DSH		*20% to 1 STD DEV Factor*		*1 STD DEV & Above Factor*			**Simulated APR-DRG Payments With DSH**			
		0.0160		**0.0468**		**0.2300**						
Medicare Provider Number	**Hospital Name**	**DSH Factor**	**DSH Payment**	**DSH Factor**	**DSH Payment**	**DSH Factor**	**DSH Payment**	**Consolidated DSH Factor**	**Total DSH Payments Plus Assessment**	**Total Payments With DSH**	**Estimated Payment Change**	**Estimated Payment Change Percentage**
		3	**4**	**7**	**8**	**9**	**10**	**11**	**12**	**13**	**14**	**15**
240019	SMDC Medical Center	0.0160	57,842	-	-	0.2300	831,474	**0.2460**	889,316	4,503,596	1,217,364	37.0%
240063	St Joseph's Hospital	0.0160	94,518	-	-	0.2300	1,358,694	**0.2460**	1,453,211	7,359,826	1,940,510	35.8%
240036	St Cloud Hospital	0.0160	162,862	0.0468	476,371	-	-	**0.0628**	639,233	10,815,576	1,529,245	16.5%
240040	University Medical Center-Mesabi	0.0160	20,045	0.0468	58,632	-	-	**0.0628**	78,677	1,331,691	120,661	10.0%
240038	United Hospital	0.0160	134,460	0.0468	393,296	-	-	**0.0628**	527,756	8,931,361	67,893	0.8%
240004	Hennepin County Medical Center	0.0160	546,369	-	-	0.3711	12,672,346	**0.3871**	13,218,715	47,356,850	(917,829)	-1.9%
240069	Owatonna Hospital	0.0160	14,190	0.0468	41,506	-	-	**0.0628**	55,696	942,740	(86,296)	-8.4%
240080	University of Minnesota, Fairview	0.0160	539,252	-	-	0.2300	7,751,743	**0.2895**	9,757,085	43,451,738	(2,225,508)	-4.9%
240106	Regions Hospital	0.0160	309,003	-	-	0.2300	4,441,924	**0.2460**	4,750,927	24,059,733	(1,914,349)	-7.4%
	Sub-Total for this group of hospitals		**$ 1,878,541**		**$ 969,805**		**$ 27,056,181**		**$ 31,370,617**	**$ 148,753,112**		
	Total for Contract Bed and Volume Factors		**$ 2,317,230**		**$ 2,836,511**		**$ 27,849,763**					

Column Notes

3-4	Applies to hospitals with contracted psych beds as of 1/1/14
5-6	Applies to hospitals with high volume of FFS transplants (n>20)
7-8	Applies to hospitals with higher total (FFS and PMAP) MIURs (20% - 25.36%)
9-10	Applies to hospitals with total (FFS and PMAP) MIUR of 25.36% and above (1 Standard Deviation above Mean)
9a-10a	Applies to hospitals with total (FFS and PMAP) MIUR of 46.7% and above (3 Standard Deviations above Mean)
11	Sum of all applicable DSH factors for each hospital
12-13	Total Revised DSH payments, Total new APR-DRG system payment plus Revised DSH amounts (before transition and buyback factors)
14	Estimated dollar change in payment from total CY 2012 legacy system payments (before transition and buyback factors)
15	Estimated percentage change in payments from CY 2012 legacy system (before transition and buyback factors)

Minnesota Department of Human Services
2012 Inpatient Rebasing Model (APR-DRG)
Revised DSH Policy Model
High Volume Hospitals
Revised DSH Model - Final Policy Version

		20% to 1 STD DEV Factor		*1 STD DEV & Above Factor*			**Simulated APR-DRG Payments With DSH**			
		0.0468		**0.2300**						
Medicare Provider Number	**Hospital Name**	**DSH Factor**	**DSH Payment**	**DSH Factor**	**DSH Payment**	**Consolidated DSH Factor**	**Total DSH Payments Plus Assessment**	**Total Payments With DSH**	**Estimated Payment Change**	**Estimated Payment Change Percentage**
		7	**8**	**9**	**10**	**11**	**12**	**13**	**14**	**15**
240001	North Memorial Health Care	0.0468	634,673	-	-	**0.0468**	634,673	14,193,799	1,488,410	11.7%
240100	North Country Regional Hospital	0.0468	162,087	-	-	**0.0468**	162,087	3,626,708	256,225	7.6%
240002	St Mary's Medical Center	0.0468	372,093	-	-	**0.0468**	372,093	8,321,987	715,713	9.4%
240210	Healtheast St John's Hospital	0.0468	180,894	-	-	**0.0468**	180,894	4,046,543	327,775	8.8%
240141	Fairview Northland Regional Hospital	-	-	0.2300	104,210	**0.2300**	104,210	557,269	75,127	15.6%
240101	St Marys Regional Health Center	-	-	0.2300	212,685	**0.2300**	212,685	1,137,928	150,008	15.2%
240047	St Lukes Hospital	0.0468	190,138	-	-	**0.0468**	190,138	4,252,562	81,680	2.0%
240071	District One Hospital	0.0468	19,711	-	-	**0.0468**	19,711	441,223	(7,616)	-1.7%
240052	Lake Region Healthcare Corporation	0.0468	32,373	-	-	**0.0468**	32,373	723,899	(65,360)	-8.3%
240020	Cambridge Medical Center	-	-	0.2300	334,050	**0.2300**	334,050	1,786,519	24,344	1.4%
240006	Olmsted Medical Center	-	-	0.2300	92,802	**0.2300**	92,802	496,723	(41,676)	-7.7%
240088	Rice Memorial Hospital	0.0468	42,292	-	-	**0.0468**	42,292	945,609	(134,336)	-12.4%
240117	Austin Medical Center	0.0468	44,493	-	-	**0.0468**	44,493	995,549	(115,904)	-10.4%
240075	Essentia Health St Joseph's	0.0468	80,848	-	-	**0.0468**	80,848	1,807,973	(219,142)	-10.8%
240187	Hutchinson Area Health Care	0.0468	33,705	-	-	**0.0468**	33,705	753,428	(172,760)	-18.7%
240214	Maple Grove Hospital	0.0468	58,729	-	-	**0.0468**	58,729	1,313,956	(302,146)	-18.7%
240018	Fairview Red Wing Hospital	0.0468	14,669	-	-	**0.0468**	14,669	328,144	(92,970)	-22.1%
240022	Sanford Regional Hospital Worthington	-	-	0.2300	49,837	**0.2300**	49,837	266,756	(48,843)	-15.5%
	Sub-Totals for this group of hospitals		***$ 1,866,706***		***$ 793,583***		***$ 2,660,288***	***$ 45,996,575***		
	Totals for DSH Volume Factors		**$ 2,836,511**		**$ 27,849,763**					

Column Notes

7-8	Applies to hospitals with higher total (FFS and PMAP) MIURs (20% - 25.36%)
9-10	Applies to hospitals with total (FFS and PMAP) MIUR of 25.36% and above (1 Standard Deviation above Mean)
9a-10a	Applies to hospitals with total (FFS and PMAP) MIUR of 46.7% and above (3 Standard Deviations above Mean)
11	Sum of all applicable DSH factors for each hospital
12-13	Total Revised DSH payments, Total new APR-DRG system payment plus Revised DSH amounts (before transition and buyback factors)
14	Estimated dollar change in payment from total CY 2012 legacy system payments (before transition and buyback factors)
15	Estimated percentage change in payments from CY 2012 legacy system (before transition and buyback factors)

Appendix F

Critical Access Hospital Payment Simulation Model

Effective July 1, 2015

Minnesota Department of Human Services
2012 Inpatient Rebasing Model (APR-DRG)
Inpatient DRG-Exempt Services
Inpatient Hospital General Excluded from DRG Model
Cost-Based Rate Impact

Sorted by Current System Cost Coverage

CY 2012 Medicaid FFS Inpatient Claims Data (Excluding Crossovers)

Provider NPI	Hospital Name	CY 2012 Discharges	Days	Charges	CY 2012 Costs	Total Current System Payments	DSH Payment	Total Current System Payments Less DSH	Current System Pay to Cost Ratio
Critical Access Hospitals:									
1316026370	HENDRICKS COMMUNITY HOSPITAL	1	1	$ 1,792	$ 1,702	$ 5,905	$ -	$ 5,905	347.0%
1740256668	MCHS - WASECA MEDICAL CENTER	2	4	9,443	8,306	10,879	-	10,879	131.0%
1669403846	KITTSON MEMORIAL HOSPITAL	1	2	4,421	3,123	3,485	-	3,485	111.6%
1659355600	ST ELIZABETHS MEDICAL CENTER	11	15	57,098	27,162	24,115	-	24,115	88.8%
1174529002	SWIFT COUNTY BENSON HOSPITAL	3	3	21,081	17,437	14,462	-	14,462	82.9%
1528025442	NEW ULM MEDICAL CENTER PSYCH	98	447	924,306	456,045	439,135	67,781	371,354	81.4%
1043218753	SANFORD THIEF RIVER FALLS	203	1,079	2,177,571	1,111,533	942,315	45,249	897,066	80.7%
1770542904	ELY BLOOMENSON COMMUNITY HOSPITAL	11	18	89,340	50,543	38,995	-	38,995	77.2%
1942253547	SANFORD WESTBROOK HOSPITAL	4	6	19,228	26,746	20,579	-	20,579	76.9%
1609861095	LIFECARE MEDICAL CENTER	49	108	241,242	166,886	122,513	-	122,513	73.4%
1497850119	ESSENTIA HEALTH FOSSTON	42	84	229,861	132,273	96,429	224	96,205	72.7%
1568401016	AVERA MARSHALL REG MED CENTER	194	754	1,880,067	926,536	736,111	71,812	664,300	71.7%
1639278609	ESSENTIA HEALTH NORTHERN PINES	1	3	4,471	6,389	4,507	-	4,507	70.5%
1477525566	RIVERVIEW HOSPITAL & NSG HOME	71	195	667,416	371,848	263,154	2,817	260,336	70.0%
1477545333	TRI COUNTY HOSPITAL	81	191	906,616	483,409	331,476	-	331,476	68.6%
1598751240	PIPESTONE CTY MED CTR & ASHTON CC	16	35	67,106	59,818	40,860	-	40,860	68.3%
1972763001	SENIOR CARE GERI PSYCH	2	15	19,203	14,348	9,822	394	9,428	65.7%
1528031390	FIRSTLIGHT HEALTH SYSTEM	89	171	639,098	457,484	295,032	-	295,032	64.5%
1073516357	NORTH VALLEY HEALTH CENTER	2	2	7,079	6,139	3,921	-	3,921	63.9%
1952370348	SLEEPY EYE MEDICAL CENTER	9	17	37,434	22,424	13,971	-	13,971	62.3%
1538143896	CUYUNA REGIONAL MEDICAL CENTER	116	253	1,325,492	594,378	370,268	3,278	366,990	61.7%
1295726362	LAKEWOOD HEALTH SYSTEM	124	311	1,274,477	664,931	414,942	6,873	408,069	61.4%
1023086055	ST JOSEPHS AREA HEALTH SERVICES	87	272	1,615,034	744,672	454,828	7,857	446,971	60.0%
1598860215	MEEKER COUNTY MEMORIAL HOSPITAL	43	96	283,734	211,383	126,192	382	125,810	59.5%
1932472255	SANFORD BAGLEY MEDICAL CENTER	12	19	71,914	69,482	41,127	-	41,127	59.2%
1780654962	GRANITE FALLS MUNICIPAL HOSPITAL	24	59	204,574	106,577	62,270	-	62,270	58.4%
1396849303	HUDSON HOSPITAL & CLINICS	12	29	85,326	48,246	28,092	-	28,092	58.2%
1851335525	BIGFORK VALLEY HOSPITAL	19	57	391,830	277,531	161,508	-	161,508	58.2%
1427041052	NEW RIVER MEDICAL CENTER	46	110	502,553	326,295	197,439	9,460	187,979	57.6%
1053497214	MURRAY COUNTY MEMORIAL HOSPITAL	7	25	75,505	64,576	37,019	-	37,019	57.3%
1730248907	MINNESOTA VALLEY HEALTH CENTER INC	1	2	10,841	6,338	3,597	-	3,597	56.7%
1538178520	GLACIAL RIDGE HOSPITAL	22	72	202,369	111,085	62,848	-	62,848	56.6%
1407849367	ST PETER COMMUNITY HOSPITAL	8	15	73,111	48,904	27,373	-	27,373	56.0%
1093745051	JOHNSON MEMORIAL HOSPITAL	8	22	54,782	38,399	21,401	-	21,401	55.7%
1720045073	CENTRACARE HEALTH SYSTEM - MELROSE	15	37	95,834	41,346	22,964	-	22,964	55.5%
1760440846	PAYNESVILLE AREA HOSPITAL DISTRICT	23	49	223,421	131,984	74,878	2,046	72,832	55.2%
1487678942	STEVENS COMMUNITY MEDICAL CENTER	35	101	339,547	182,206	100,389	-	100,389	55.1%
1790799518	PERHAM HEALTH	60	140	391,337	298,325	163,877	1,234	162,643	54.5%
1164471678	CENTRACARE HLTH SYSTEM LONG PRAIRIE	30	53	215,544	98,088	52,541	-	52,541	53.6%
1952307688	UNITED HOSPITAL	24	55	198,141	127,814	68,362	-	68,362	53.5%
1104818673	REDWOOD AREA HOSPITAL	37	71	213,002	179,831	95,522	-	95,522	53.1%
1538113022	LAKE CITY MED CTR MAYO HEALTH SYS	16	31	83,081	78,882	41,047	-	41,047	52.0%

Critical Access Hospital (continued)

Sorted by Current System Cost Coverage

CY 2012 Medicaid FFS Inpatient Claims Data (Excluding Crossovers)

Provider NPI	Hospital Name	CY 2012 Discharges	Days	Charges	CY 2012 Costs	Total Current System Payments	DSH Payment	Total Current System Payments Less DSH	Current System Pay to Cost Ratio
Critical Access Hospitals:									
1629091871	RENVILLE COUNTY HOSPITAL	20	39	200,951	92,539	48,180	56	48,124	52.0%
1225049018	DEER RIVER HEALTHCARE CENTER	50	98	302,442	269,033	140,915	7,197	133,718	49.7%
1639162381	ST FRANCIS HEALTHCARE CAMPUS	15	35	105,717	58,111	27,927	-	27,927	48.1%
1942398029	MERCY HOSPITAL & HEALTH CARE CENTER	56	129	650,700	350,459	168,928	1,774	167,153	47.7%
1003851171	SANFORD TRACY MEDICAL CENTER	3	6	18,651	19,168	9,104	-	9,104	47.5%
1558328435	NEW ULM MEDICAL CENTER	116	256	916,060	559,058	306,683	47,322	259,361	46.4%
1508885633	GLENCOE REGIONAL HEALTH SERVICES	54	131	611,583	364,805	168,820	-	168,820	46.3%
1841288644	WINDOM AREA HOSPITAL	35	69	152,311	146,640	67,367	-	67,367	45.9%
1699879833	ALBANY AREA HOSPITAL	5	16	49,817	41,181	18,830	-	18,830	45.7%
1407889991	ST MICHAELS HOSPITAL	34	65	187,798	140,330	63,807	-	63,807	45.5%
1790783587	ORTONVILLE MUNICIPAL HOSPITAL	13	32	73,593	62,576	28,230	-	28,230	45.1%
1497703045	SANFORD HOSPITAL	28	66	195,633	132,850	59,864	-	59,864	45.1%
1780630939	ST GABRIELS HOSPITAL	104	302	1,600,034	782,461	353,782	4,899	348,883	44.6%
1063435410	MAYO CLINIC HLTH SYS - CANNON FALLS	8	21	131,392	83,014	36,919	-	36,919	44.5%
1003869082	COMMUNITY MEMORIAL HOSPITAL	64	166	977,969	479,597	206,284	1,222	205,062	42.8%
1780781054	SANFORD CANBY MEDICAL CENTER	14	71	254,601	144,147	61,209	-	61,209	42.5%
1124035282	MCHS - NEW PRAGUE	28	67	261,386	171,560	71,219	-	71,219	41.5%
1720086028	CHIPPEWA COUNTY-MONTEVIDEO HOSPITAL	56	148	504,284	362,321	149,977	-	149,977	41.4%
1548212699	MILLE LACS HEALTH SYSTEM	45	139	552,336	312,930	133,314	5,414	127,900	40.9%
1326041633	ESSENTIA HEALTH SANDSTONE	14	24	142,946	91,048	36,673	-	36,673	40.3%
1942233234	MAHNOMEN HEALTH CENTER	7	15	58,062	36,584	14,624	-	14,624	40.0%
1528041183	FALLS MEMORIAL HOSPITAL	24	68	192,478	144,480	58,650	1,424	57,226	39.6%
1285691725	RIVER FALLS AREA HOSPITAL	1	4	32,503	15,579	6,000	-	6,000	38.5%
1023067642	LAKE VIEW MEMORIAL HOSPITAL	3	27	39,945	43,041	16,461	-	16,461	38.2%
1942277835	RIVERWOOD HEALTHCARE CENTER	44	138	778,668	478,572	179,680	-	179,680	37.5%
1639198732	MAYO CLINIC HEALTH SYSTEM ST JAMES	7	52	101,951	148,073	50,759	-	50,759	34.3%
1578590626	APPLETON MUNICIPAL HOSPITAL	6	31	102,219	77,647	25,191	-	25,191	32.4%
1992763858	COOK HOSPITAL	31	70	309,539	221,581	70,127	-	70,127	31.6%
1619945052	SPRINGFIELD MED CTR - MAYO HEALTH	4	6	21,613	27,877	8,648	-	8,648	31.0%
1487712493	COOK COUNTY NORTH SHORE HOSPITAL	11	29	47,166	57,673	17,790	-	17,790	30.8%
1942246848	MADISON HOSPITAL	12	44	157,126	84,074	24,054	-	24,054	28.6%
1912999137	MADELIA COMMUNITY HOSPITAL	2	7	37,932	32,826	9,055	-	9,055	27.6%
1740240225	RIDGEVIEW SIBLEY MEDICAL CENTER	-	-	-	#N/A	-	#N/A	#N/A	#N/A
1922072776	LAKEWOOD HEALTH CENTER	3	12	49,085	37,991	10,265	-	10,265	27.0%
1154615573	SANFORD WHEATON	4	14	36,050	55,819	14,679	-	14,679	26.3%
1801840517	TYLER HEALTHCARE CENTER INC	2	7	28,212	30,677	6,986	-	6,986	22.8%
1326069097	SANFORD JACKSON MEDICAL CENTER	1	3	9,282	8,609	1,633	-	1,633	19.0%
1306836598	ESSENTIA HEALTH ADA	2	8	16,545	29,527	4,821	-	4,821	16.3%
1407838329	PRAIRIE RIDGE HOSPITAL & HLTH SVCS	6	13	44,685	41,372	6,686	-	6,686	16.2%
Providers without 2012 data who have 2013 data									
1982673620	GRACEVILLE HEALTH CENTER	2	3	$ 10,039	$ 9,783			$ 12,394	126.7%
1740240225	RIDGEVIEW SIBLEY MEDICAL CENTER	3	11	32,379	40,926			7,869	19.2%

Critical Access Hospital (continued)

Sorted by Current System Cost Coverage

Provider NPI	Hospital Name	Cost Based Rate - SFY 2016: Current System Pymts Less DSH with Ratable Adjmt	Pay to Cost Ratio with Ratable Adjmt	Pay to Cost Ratio Target Factor	Target Payment	Cost Based Per Diem Rate	Payment Change	Cost Based Rate - SFY 2017: Inflation Factor	Inflated Rate	New Payment	Payment Change
Critical Access Hospitals:											
1316026370	HENDRICKS COMMUNITY HOSPITAL	$ 6,496	381.7%	100%	$ 1,702	$ 1,702.01	$ (4,203)	3.0%	$ 1,753.07	$ 1,753	$ (4,152)
1740256668	MCHS - WASECA MEDICAL CENTER	11,967	144.1%	100%	8,306	2,076.53	(2,573)	3.0%	2,138.83	8,555	(2,324)
1669403846	KITTSON MEMORIAL HOSPITAL	3,833	122.7%	100%	3,123	1,561.61	(362)	3.0%	1,608.46	3,217	(268)
1659355600	ST ELIZABETHS MEDICAL CENTER	26,526	97.7%	95%	25,804	1,720.25	1,689	3.0%	1,771.86	26,578	2,463
1174529002	SWIFT COUNTY BENSON HOSPITAL	15,908	91.2%	95%	16,565	5,521.78	2,104	3.0%	5,687.43	17,062	2,601
1528025442	NEW ULM MEDICAL CENTER PSYCH	408,490	89.6%	95%	433,242.31	969.22	61,888	3.0%	998.30	446,240	74,886
1043218753	SANFORD THIEF RIVER FALLS	986,772	88.8%	95%	1,055,957	978.64	158,891	3.0%	1,008.00	1,087,632	190,566
1770542904	ELY BLOOMENSON COMMUNITY HOSPITAL	42,894	84.9%	85%	42,962	2,386.77	3,967	3.0%	2,458.37	44,251	5,256
1942253547	SANFORD WESTBROOK HOSPITAL	22,636	84.6%	85%	22,734	3,788.95	2,155	3.0%	3,902.62	23,416	2,837
1609861095	LIFECARE MEDICAL CENTER	134,765	80.8%	85%	141,853	1,313.45	19,339	3.0%	1,352.85	146,108	23,594
1497850119	ESSENTIA HEALTH FOSSTON	105,826	80.0%	85%	112,432	1,338.47	16,226	3.0%	1,378.62	115,804	19,599
1568401016	AVERA MARSHALL REG MED CENTER	730,730	78.9%	85%	787,555	1,044.50	123,256	3.0%	1,075.84	811,183	146,884
1639278609	ESSENTIA HEALTH NORTHERN PINES	4,957	77.6%	85%	5,431	1,810.33	924	3.0%	1,864.64	5,594	1,087
1477525566	RIVERVIEW HOSPITAL & NSG HOME	286,370	77.0%	85%	316,071	1,620.88	55,735	3.0%	1,669.51	325,554	65,218
1477545333	TRI COUNTY HOSPITAL	364,624	75.4%	85%	410,898	2,151.30	79,422	3.0%	2,215.84	423,225	91,749
1598751240	PIPESTONE CTY MED CTR & ASHTON CC	44,945	75.1%	85%	50,845	1,452.72	9,986	3.0%	1,496.30	52,371	11,511
1972763001	SENIOR CARE GERI PSYCH	10,370	72.3%	85%	12,196	813.07	2,768	3.0%	837.46	12,562	3,134
1528031390	FIRSTLIGHT HEALTH SYSTEM	324,535	70.9%	85%	388,861	2,274.04	93,829	3.0%	2,342.26	400,526	105,495
1073516357	NORTH VALLEY HEALTH CENTER	4,313	70.3%	85%	5,218	2,609.10	1,297	3.0%	2,687.37	5,375	1,454
1952370348	SLEEPY EYE MEDICAL CENTER	15,368	68.5%	85%	19,060	1,121.20	5,090	3.0%	1,154.84	19,632	5,662
1538143896	CUYUNA REGIONAL MEDICAL CENTER	403,689	67.9%	85%	505,221	1,996.92	138,231	3.0%	2,056.83	520,378	153,388
1295726362	LAKEWOOD HEALTH SYSTEM	448,876	67.5%	85%	565,191	1,817.33	157,122	3.0%	1,871.85	582,145	174,076
1023086055	ST JOSEPHS AREA HEALTH SERVICES	491,668	66.0%	85%	632,971	2,327.10	186,000	3.0%	2,396.91	651,960	204,989
1598860215	MEEKER COUNTY MEMORIAL HOSPITAL	138,391	65.5%	85%	179,676	1,871.62	53,866	3.0%	1,927.77	185,066	59,256
1932472255	SANFORD BAGLEY MEDICAL CENTER	45,239	65.1%	85%	59,060	3,108.40	17,933	3.0%	3,201.65	60,831	19,705
1780654962	GRANITE FALLS MUNICIPAL HOSPITAL	68,497	64.3%	85%	90,591	1,535.44	28,321	3.0%	1,581.50	93,309	31,039
1396849303	HUDSON HOSPITAL & CLINICS	30,901	64.0%	85%	41,009	1,414.12	12,918	3.0%	1,456.54	42,240	14,148
1851335525	BIGFORK VALLEY HOSPITAL	177,659	64.0%	85%	235,902	4,138.63	74,393	3.0%	4,262.79	242,979	81,471
1427041052	NEW RIVER MEDICAL CENTER	206,776	63.4%	85%	277,351	2,521.37	89,372	3.0%	2,597.01	285,671	97,693
1053497214	MURRAY COUNTY MEMORIAL HOSPITAL	40,721	63.1%	85%	54,890	2,195.59	17,870	3.0%	2,261.46	56,537	19,517
1730248907	MINNESOTA VALLEY HEALTH CENTER INC	3,956	62.4%	85%	5,387	2,693.54	1,791	3.0%	2,774.35	5,549	1,952
1538178520	GLACIAL RIDGE HOSPITAL	69,133	62.2%	85%	94,422	1,311.42	31,574	3.0%	1,350.76	97,255	34,407
1407849367	ST PETER COMMUNITY HOSPITAL	30,111	61.6%	85%	41,569	2,771.24	14,195	3.0%	2,854.38	42,816	15,442
1093745051	JOHNSON MEMORIAL HOSPITAL	23,541	61.3%	85%	32,639	1,483.61	11,238	3.0%	1,528.12	33,619	12,218
1720045073	CENTRACARE HEALTH SYSTEM - MELROSE	25,260	61.1%	85%	35,144	949.85	12,180	3.0%	978.35	36,199	13,235
1760440846	PAYNESVILLE AREA HOSPITAL DISTRICT	80,115	60.7%	85%	112,187	2,289.52	39,355	3.0%	2,358.21	115,552	42,721
1487678942	STEVENS COMMUNITY MEDICAL CENTER	110,427	60.6%	85%	154,875	1,533.41	54,486	3.0%	1,579.41	159,520	59,132
1790799518	PERHAM HEALTH	178,908	60.0%	85%	253,577	1,811.26	90,933	3.0%	1,865.60	261,184	98,541
1164471678	CENTRACARE HLTH SYSTEM LONG PRAIRIE	57,795	58.9%	85%	83,375	1,573.11	30,833	3.0%	1,620.30	85,876	33,335
1952307688	UNITED HOSPITAL	75,199	58.8%	85%	108,642	1,975.31	40,280	3.0%	2,034.57	111,901	43,539
1104818673	REDWOOD AREA HOSPITAL	105,074	58.4%	85%	152,856	2,152.90	57,334	3.0%	2,217.49	157,442	61,920
1538113022	LAKE CITY MED CTR MAYO HEALTH SYS	45,152	57.2%	85%	67,050	2,162.90	26,003	3.0%	2,227.79	69,061	28,015

Critical Access Hospital (continued)

Sorted by Current System Cost Coverage

Provider NPI	Hospital Name	Current System Pymts Less DSH with Ratable Adjmt	Pay to Cost Ratio with Ratable Adjmt	Pay to Cost Ratio Target Factor	Cost Based Rate - SFY 2016 Target Payment	Cost Based Per Diem Rate	Payment Change	Cost Based Rate - SFY 2017 Inflation Factor	Inflated Rate	New Payment	Payment Change
Critical Access Hospitals:											
1629091871	RENVILLE COUNTY HOSPITAL	52,936	57.2%	85%	78,658	2,016.87	30,534	3.0%	2,077.38	81,018	32,894
1225049018	DEER RIVER HEALTHCARE CENTER	147,090	54.7%	85%	228,678	2,333.45	94,960	3.0%	2,403.45	235,538	101,820
1639162381	ST FRANCIS HEALTHCARE CAMPUS	30,720	52.9%	85%	49,394	1,411.27	21,467	3.0%	1,453.61	50,876	22,949
1942398029	MERCY HOSPITAL & HEALTH CARE CENTER	183,869	52.5%	85%	297,890	2,309.22	130,737	3.0%	2,378.50	306,827	139,673
1003851171	SANFORD TRACY MEDICAL CENTER	10,014	52.2%	85%	16,293	2,715.50	7,189	3.0%	2,796.97	16,782	7,678
1558328435	NEW ULM MEDICAL CENTER	285,297	51.0%	85%	475,200	1,856.25	215,839	3.0%	1,911.94	489,457	230,096
1508885633	GLENCOE REGIONAL HEALTH SERVICES	185,702	50.9%	85%	310,084	2,367.05	141,264	3.0%	2,438.06	319,386	150,566
1841288644	WINDOM AREA HOSPITAL	74,103	50.5%	85%	124,644	1,806.43	57,277	3.0%	1,860.62	128,383	61,016
1699879833	ALBANY AREA HOSPITAL	20,713	50.3%	85%	35,004	2,187.74	16,174	3.0%	2,253.37	36,054	17,224
1407889991	ST MICHAELS HOSPITAL	70,188	50.0%	85%	119,281	1,835.09	55,474	3.0%	1,890.14	122,859	59,052
1790783587	ORTONVILLE MUNICIPAL HOSPITAL	31,053	49.6%	85%	53,190	1,662.18	24,960	3.0%	1,712.05	54,786	26,556
1497703045	SANFORD HOSPITAL	65,850	49.6%	85%	112,922	1,710.94	53,058	3.0%	1,762.27	116,310	56,446
1780630939	ST GABRIELS HOSPITAL	383,771	49.0%	85%	665,092	2,202.29	316,209	3.0%	2,268.36	685,045	336,162
1063435410	MAYO CLINIC HLTH SYS - CANNON FALLS	40,610	48.9%	85%	70,562	3,360.10	33,644	3.0%	3,460.90	72,679	35,760
1003869082	COMMUNITY MEMORIAL HOSPITAL	225,568	47.0%	85%	407,658	2,455.77	202,596	3.0%	2,529.44	419,887	214,825
1780781054	SANFORD CANBY MEDICAL CENTER	67,330	46.7%	85%	122,525	1,725.70	61,316	3.0%	1,777.47	126,200	64,992
1124035282	MCHS - NEW PRAGUE	78,341	45.7%	85%	145,826	2,176.51	74,607	3.0%	2,241.81	150,201	78,982
1720086028	CHIPPEWA COUNTY-MONTEVIDEO HOSPITAL	164,975	45.5%	85%	307,973	2,080.90	157,996	3.0%	2,143.33	317,213	167,236
1548212699	MILLE LACS HEALTH SYSTEM	140,689	45.0%	85%	265,991	1,913.60	138,091	3.0%	1,971.01	273,970	146,071
1326041633	ESSENTIA HEALTH SANDSTONE	40,340	44.3%	85%	77,391	3,224.61	40,718	3.0%	3,321.35	79,712	43,039
1942233234	MAHNOMEN HEALTH CENTER	16,086	44.0%	85%	31,097	2,073.11	16,473	3.0%	2,135.30	32,030	17,406
1528041183	FALLS MEMORIAL HOSPITAL	62,949	43.6%	85%	122,808	1,806.00	65,581	3.0%	1,860.18	126,492	69,266
1285691725	RIVER FALLS AREA HOSPITAL	6,600	42.4%	85%	13,242	3,310.61	7,243	3.0%	3,409.93	13,640	7,640
1023067642	LAKE VIEW MEMORIAL HOSPITAL	18,107	42.1%	85%	36,585	1,355.01	20,125	3.0%	1,395.66	37,683	21,222
1942277835	RIVERWOOD HEALTHCARE CENTER	197,648	41.3%	85%	406,786	2,947.72	227,106	3.0%	3,036.15	418,989	239,309
1639198732	MAYO CLINIC HEALTH SYSTEM ST JAMES	55,835	37.7%	85%	125,862	2,420.42	75,103	3.0%	2,493.03	129,638	78,879
1578590626	APPLETON MUNICIPAL HOSPITAL	27,710	35.7%	85%	66,000	2,129.04	40,810	3.0%	2,192.91	67,980	42,790
1992763858	COOK HOSPITAL	77,139	34.8%	85%	188,344	2,690.63	118,217	3.0%	2,771.35	193,995	123,868
1619945052	SPRINGFIELD MED CTR - MAYO HEALTH	9,513	34.1%	85%	23,696	3,949.29	15,048	3.0%	4,067.77	24,407	15,759
1487712493	COOK COUNTY NORTH SHORE HOSPITAL	19,568	33.9%	85%	49,022	1,690.43	31,233	3.0%	1,741.14	50,493	32,704
1942246848	MADISON HOSPITAL	26,460	31.5%	85%	71,463	1,624.17	47,409	3.0%	1,672.90	73,608	49,553
1912999137	MADELIA COMMUNITY HOSPITAL	9,960	30.3%	85%	27,902	3,986.03	18,848	3.0%	4,105.61	28,739	19,685
1922072776	LAKEWOOD HEALTH CENTER	11,291	29.7%	85%	32,293	2,691.06	22,028	3.0%	2,771.79	33,261	22,997
1154615573	SANFORD WHEATON	16,147	28.9%	85%	47,446	3,389.01	32,767	3.0%	3,490.68	48,870	34,191
1801840517	TYLER HEALTHCARE CENTER INC	7,684	25.0%	85%	26,075	3,725.03	19,089	3.0%	3,836.78	26,857	19,872
1326069097	SANFORD JACKSON MEDICAL CENTER	1,797	20.9%	85%	7,318	2,439.24	5,684	3.0%	2,512.42	7,537	5,904
1306836598	ESSENTIA HEALTH ADA	5,303	18.0%	85%	25,098	3,137.28	20,277	3.0%	3,231.40	25,851	21,030
1407838329	PRAIRIE RIDGE HOSPITAL & HLTH SVCS	7,355	17.8%	85%	35,167	2,705.12	28,481	3.0%	2,786.27	36,222	29,536
	Providers without 2012 data who have 2013 data										
1982673620	GRACEVILLE HEALTH CENTER	$ 13,634	139.4%	100%	$ 9,783	$ 3,261.04	$ (2,611)	3.0%	$ 3,358.87	$ 10,077	$ (2,318)
1740240225	RIDGEVIEW SIBLEY MEDICAL CENTER	8,656	21.1%	85%	34,787	3,162.48	26,918	3.0%	3,257.35	35,831	27,962