

Operations Bulletin 04-09



Date: April 1, 2009
To: Participating Hospital Providers
Re: Post Acute Care Transfer Policy

The Health Plan¹ introduced its application of the Center for Medicare and Medicaid Services' (CMS) policy related to Post Acute Care Transfer methodology in June 2007. Since this implementation, the Health Plan has moved from traditional DRG payments to the new MS-DRG payment methodology. Along with this move to MS-DRG's, the Health Plan has decided to expand the list to include all applicable Medicare MS-DRG's for which the post acute care transfer policy applies, effective May 1, 2009. This policy will be in effect for all Health Plan product lines.

Claims reported with any applicable discharge status code and an average length of stay less than the GMLOS established by Medicare will be considered a Post Acute Care Transfer and one of the following transfer payment methodologies could be applied to the MS-DRG/case rate payment.

Standard Post Acute Care Transfer Payment Methodology:

The application of this methodology is similar to CMS in that the hospital MS-DRG/case rate is divided by the Medicare GMLOS to come up with the per diem payment. The actual hospital payment is made up of two parts, the first day payment and the subsequent day's payment. The first day payment is 2 times the per diem. The subsequent day's payment is calculated by taking the Length of Stay minus 1 times the per diem. The standard transfer payment is then calculated by adding the first day payment to the subsequent day payment. The standard transfer payment is then compared to the contracted MS-DRG/case payment. The hospital will be paid the lesser of the full MS-DRG/case payment or the standard transfer payment.

Unique Post Acute Care Transfer Payment Methodology:

The application of this methodology is similar to CMS in that the hospital's MS-DRG/case rate payment is multiplied by 50% plus a single per diem day for the first day payment. The subsequent day's payment is calculated by taking the Length of Stay minus 1 times 50% of the per diem. The unique transfer payment is then calculated by adding the first day payment to the subsequent day's payment. The unique transfer payment is then compared to the contracted MS-DRG/case payment. The hospital will be paid the lesser of the full MS-DRG/case payment or the unique transfer payment.

Information in this Bulletin shall amend Health Plan's Provider Guide (10/08), effective May 1, 2009. If you have any questions regarding this communication, please contact your Provider Relations Representative at the applicable telephone number listed below.

Danville: (800) 876-5357
Harrisburg: (888) 281-5338
Sayre: (800) 734-3141
Scranton: (800) 350-6486
State College: (888) 669-4834

¹ Geisinger Health Plan, Geisinger Indemnity Insurance Company and Geisinger Quality Inc. shall be collectively referred to here in as "Health Plan".