

Impact of IPPS Psychiatric DRGs for FFY 2006

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Forecast of Impact of Psych DRGs at Metropolitan General Hospital

FY2004 Medicare Case No.	Payment Under TEFRA	Payment Under Psych DRG
1	\$16,800	\$15,188
2	\$12,400	\$13,254
3	\$11,900	\$10,432
4	\$15,200	\$14,321
...
1,000	\$9,080	\$10,204
TOTAL	\$11,024,332	\$9,752,321

APPLICATIONS OF PSYCH DRGs BY PRIVATE INSURERS

- Consider new payment methods to contract with general hospitals.
- Use Psych DRGs as a tool to evaluate hospital performance.
- Give financial incentives to more efficient general hospitals.
- Give financial incentives to less efficient hospitals to improve performance.

USING PSYCH DRGs TO EVALUATE UNIVERSITY HOSPITAL PERFORMANCE

		SEV/AGE ADJUSTED EXPECTED	
	DRG	ALOS	ALOS
O.R. PROCEDURE W PRINCIPAL DIAGNOSES OF MENTAL ILLNESS	424	11.3	12.6
ACUTE ADJUSTMENT REACTION & PSYCHOSOCIAL DYSFUNCTION	425	5.4	5.7
DEPRESSIVE NEUROSES	426	5.4	6.9
NEUROSES EXCEPT DEPRESSIVE	427	5.5	5.9
DISORDERS OF PERSONALITY & IMPULSE CONTROL	428	9.8	10.2
ORGANIC DISTURBANCES & MENTAL RETARDATION	429	5.6	5.9
PSYCHOSES	430	8.3	9.4
CHILDHOOD MENTAL DISORDERS	431	6.1	7.4
OTHER MENTAL DISORDER DIAGNOSES	432	5.3	6.4
ALCOHOL/DRUG ABUSE OR DEPENDENCE, LEFT AMA	433	2.9	3.2
ALCOHOL/DRUG ABUSE OR DEPENDENCE, W/ CC	521	5.9	6.3
ALCOHOL/DRUG ABUSE OR DEPENDENCE, W0/ CC	522	10.6	11.6
ALCOHOL/DRUG ABUSE OR DEPENDENCE, W0/ CC	523	5.8	6.7
DEGENERATIVE NERV SYSTEM DISORDERS	12	7.6	6.1
NON-TRAUMATIC STUPOR AND COMA	23	7.2	5.6

APPLICATIONS OF PSYCH DRGs BY BEHAVIORAL HEALTH MCOs

- Use Psych DRGs as upper limit for out-of-network hospital care
- Use Psych DRGs to evaluate a hospital's performance
- Use Psych DRGs to evaluate case managers' performance.

USING PSYCH DRGs AS UPPER LIMIT FOR OUT-OF-NETWORK INPATIENT HOSP. CARE

FY2004	Actual	Payment	New
OON	Payment	Under Psych DRG	Negot. Payment
Case No.	Payment	Psych DRG	Payment
1	\$23,432	\$15,188	\$15,188
2	\$22,541	\$13,254	\$13,254
3	\$32,122	\$10,432	\$10,432
4	\$9,254	\$14,321	\$9,254
...
1,250	\$7,832	\$10,204	\$7,832
TOTAL	\$26,493,855	\$14,752,321	\$13,395,412

For Additional Information and Advanced Hospital Specific Analysis

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