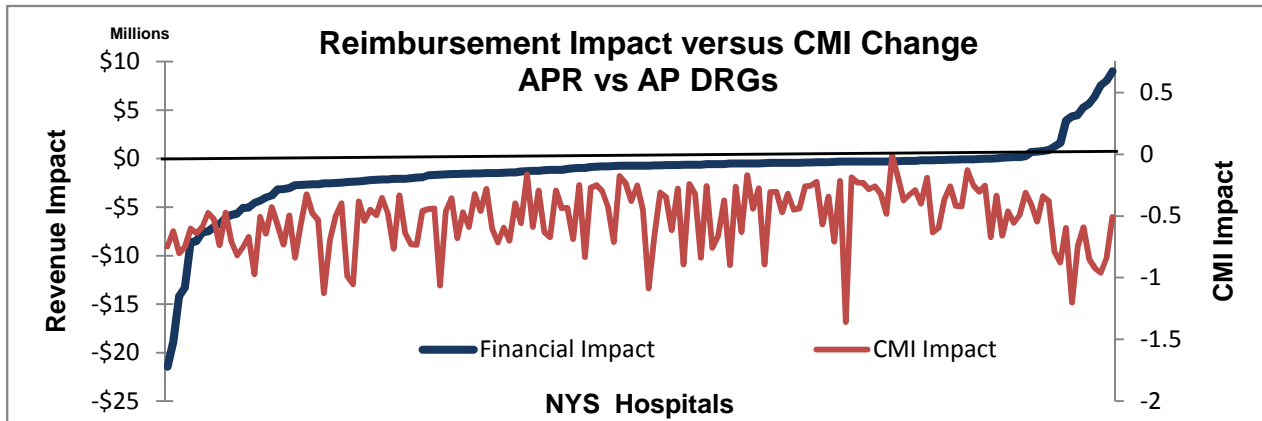


Medicaid Fee for Service APR DRG Impact Analysis
SAMPLE HOSPITAL

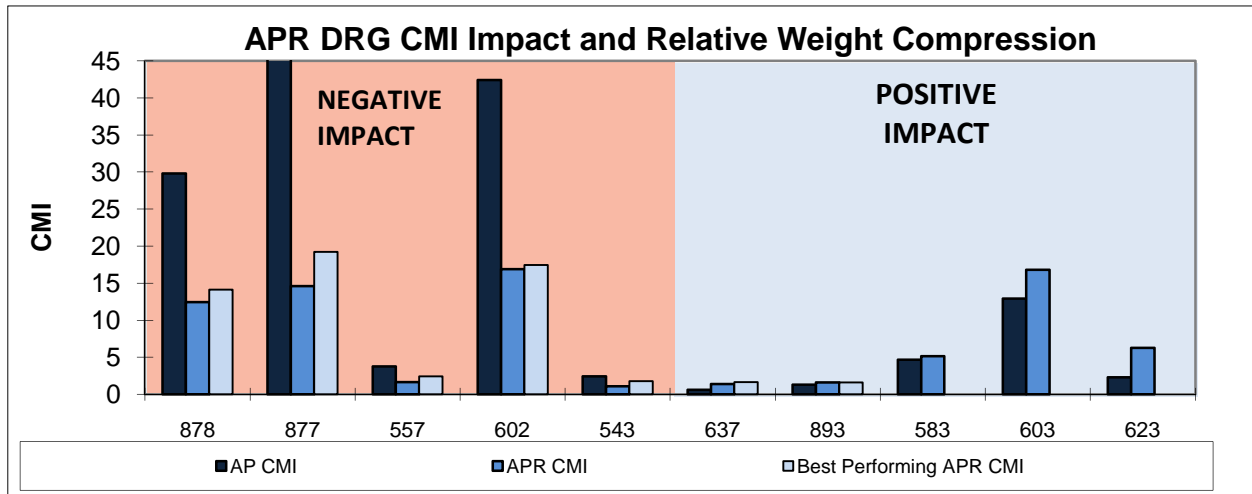
SPARCS Data Calendar Year 2008 - Regrouped MA FFS with APR DRGs

	Discharges	Reimbursement Impact	% of Total Reimbursement	AP CMI	APR CMI	% Change
Hospital	4,662	-\$14,184,379	-13%	2.1406	1.3393	-37%
Downstate Teaching		-\$136,792,634	-6%	1.8976	1.1979	-37%
<i>Per Hospital</i>		-\$2,682,209				
New York State		-\$224,989,910	-8%	1.7549	1.1278	-36%
<i>Per Hospital</i>		-\$1,323,470				

Reimbursement impact is per DOH's December 2009 estimated impacts using 2007 Medicaid FFS paid claims. The AP and APR DRG CMIs reflect 2008 SPARCS Medicaid FFS cases. Note that APR DRG Weights have been recalibrated so that the statewide average Medicaid CMI = 1.0.



- Lessons Learned:**
- 1) Overall reimbursement impact reflects both change in the base rate and CMI.
 - 2) Average CMI decreased for all NYS Hospitals under APR DRGs
 - 3) ~85% of NYS hospitals will see a decrease in Medicaid FFS inpatient payments.



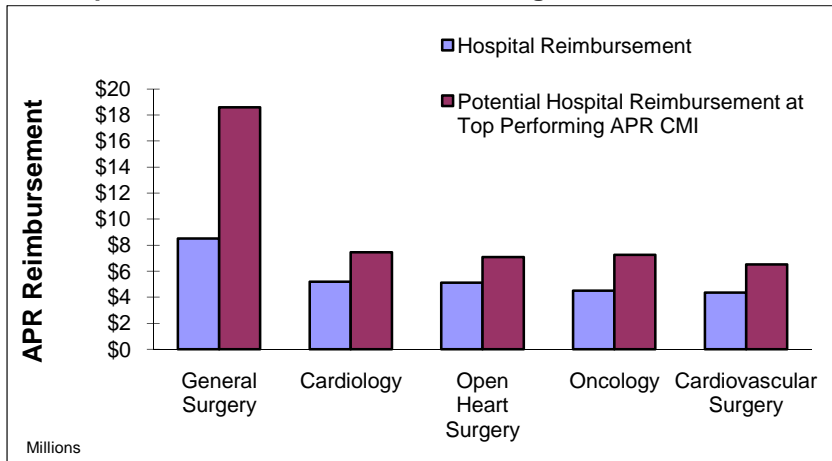
AP DRGs selected with the most significant impact (+/-) to CMI weight. Best performers selected with highest APR CMI.

878 TRACH W MV 96+ HRS OR PDX EXC FACE, MOUTH & NECK W/O MAJOR OR	637 NEONATE, DIED W/IN ONE DAY OF BIRTH, BORN HERE
877 ECMO OR TRACH W MV 96+ HRS OR PDX EXC FACE, MOUTH & NECK W MAJOR OR	893 CRANIAL/FACIAL PROCEDURES
557 HEPATOBIILIARY & PANCREAS DISORDERS W MAJOR CC	583 PROCS FOR INJURIES EXCEPT MULTIPLE TRAUMA W MCC
602 NEONATE, BIRTHWT UNDER 750G, DISCHARGED ALIVE	603 NEONATE, BIRTHWT UNDER 750G, DIED
543 CIRC DISORD EXC AMI, ENDOCARDITIS, CHF & ARRHYT W MAJOR CC	623 NEONATE, BWT OVER 2499G, W SIG OR PROC WO MULT MAJ

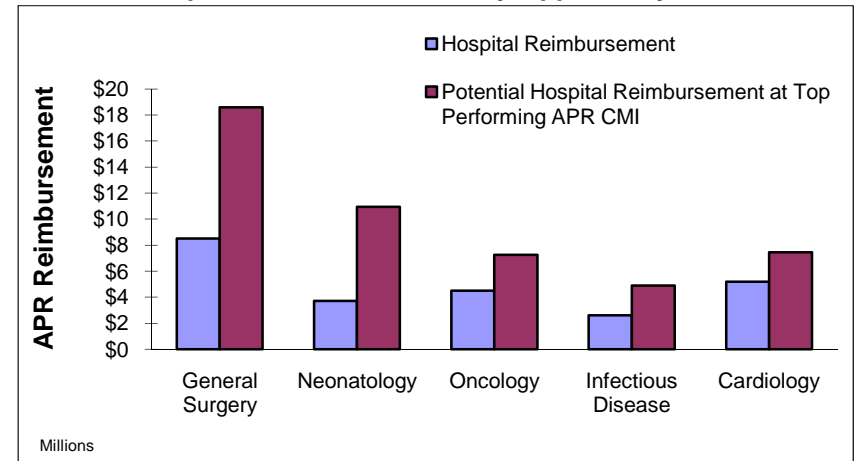
Medicaid Fee for Service APR DRG Impact Analysis
 SAMPLE HOSPITAL
 SPARCS Data Calendar Year 2008 - Regrouped MA FFS with APR DRGs

Learning from the Best: Identifying Recoverable Opportunity

Top 5 APR Product Lines Contributing to Reimbursement

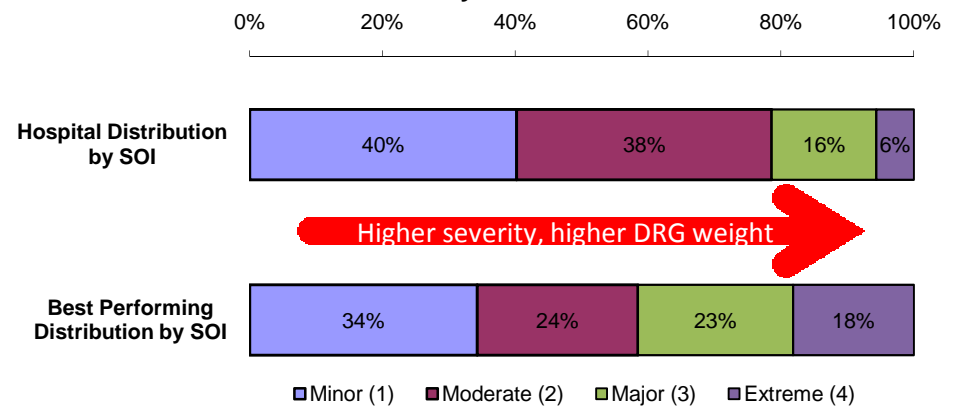


Top 5 APR Product Lines by Opportunity



- Are you monitoring your Hospital's Medicaid IP claims for completeness? Do you know if your Hospital is doing 'well' under APR DRGs?
- Do you have a formal Clinical Documentation Initiative (CDI)? Are you actively engaged in educating the physician community?
- Have you formally introduced the APR DRG methodology to your HIM department?

Top 5 APR Product Lines by Opportunity
 Severity of Illness Distribution



Two "Top Performer" APR CMIs were calculated for Neonatology (w & wo NICU). Hospitals without a NICU were compared to the Top Performing hospitals also without a NICU.