

**Fee Schedule Up-Date  
Effective October 1, 2007**

**INPATIENT REIMBURSEMENT**

In an effort to better recognize severity of illness among patients, CMS implemented a Medicare Severity DRG (MS-DRG) classification system for FY 2008 on October 1, 2007. Therefore, this new MS-DRG classification system is to be utilized in determining the reimbursement of a Mississippi Workers' Compensation hospital claim for any discharge on or after October 1, 2007.

The new MS-DRG classification system can be found by following the following instructions:

1. [www.cms.hhs.gov](http://www.cms.hhs.gov)
2. Select the Medicare link
3. Select Acute Inpatient PPS
4. Select Acute Inpatient Files for Download
5. Sort by year so the most recent years are at the top
6. Select Table 5, List of MS-DRG with relative weights—found on the 2<sup>nd</sup> page

The National Medicare Base Rate increased to \$4,990.60 on October 1, 2007, so the Mississippi Base Rate increased to \$9,981.20.

**OUTLIER PAYMENTS**

While the formula for determining the outlier threshold for each facility remains the same, the Medicare outlier threshold and the facilities' cost to charge ratio were revised October 1, 2007.

To access the hospitals' 2008 cost to charge ratio, follow steps 1-5 of the instructions above. Step 6, select Impact File for IPPS FY 2008 Final Rule—found on the 4<sup>th</sup> page

After downloading, the Impact file will be an excel spreadsheet. Mississippi hospitals will be designated by a provider number beginning with 25-. The cost to charge ratio will be found in the column entitled OPCCR (Column Q in the 2008 version).

The Medicare outlier threshold for FY 2008 is \$22,185.00.