

**Billing/Auditing Group Tentative proposal  
January 7, 2009**

**The following proposal is applicable to:**

- In-patient hospitalization reimbursement
- Large hospitals as defined in the 2008 legislation which reads as follows: A hospital within the seven county metropolitan area with 65 or more licensed beds, and at a hospital outside the seven county metropolitan area with 100 or more beds.

1. In-patient hospitalization reimbursement methodology---**MS-DRG + a conversion factor which will result in reimbursement at a rate of 65-75%.**

(Deloitte will develop the conversion factor by looking at: the Medicare weights for each DRG, 12 months of workers comp data from each hospital regarding charges by DRG)

Implants are part of the in-patient hospitalization reimbursement methodology and will not be carved out and treated separately.

2. Outliers- When charges exceed \$50,000 reimbursement will be as follows.  
**Charges x commercial rate + 10%.**  
Payers have the right to complete an onsite or documentation audit.
3. 15-15-30 billing system and code of conduct.
4. Prevailing charge is eliminated in statute.
5. Inpatient hospitalization reimbursement for small hospitals shall be 90 percent of the hospital's usual and customary charge, unless the charge is determined by the commissioner or a compensation judge to be unreasonably excessive.  
A small hospital is a hospital located outside the seven-county metropolitan area which has less than 100 licensed beds.