



DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION OF MEDICAL ASSISTANCE

ROY COOPER
GOVERNOR

MANDY COHEN, MD, MPH
SECRETARY

DAVE RICHARD
DEPUTY SECRETARY FOR MEDICAL ASSISTANCE

MEMORANDUM

TO: Mandy Cohen, MD, MPH
Secretary

FROM: Dave Richard
Deputy Secretary for Medical Assistance

SUBJECT: State Plan Amendment
Title XIX, Social Security Act
Transmittal #2017-0010

DATE: September 13, 2017

Please find attached an amendment for North Carolina's State Plan under Title XIX of the Social Security Act for the Medical Assistance Program. The affected page is Attachment 4.19-A, Page 2.

This state plan revises the reimbursement methodology inpatient hospital to add eleven Diagnosis Related Groups (DRGs) to the rate setting methodology for inpatient hospitals. The new DRGs are specific to deliveries with the insertion of a long-acting reversible contraception (LARC). The new DRG codes are 1765, 1766, 1767, 1768, 1769, 1770, 1774, 1775, 1776, 1777, and 1779.

This amendment is effective October 1, 2017.

Your approval of this state plan amendment is requested. If you have any questions or concerns, please contact Teresa Smith or me at 919-855-4116.

DR:ts

State Plan Under Title XIX of the Social Security Act
Medical Assistance Program
State: NORTH CAROLINA

Payments for Medical and Remedial Care and Services: Inpatient Hospital

DRG RATE SETTING METHODOLOGY

(a) Diagnosis Related Groups is a system of classification for hospital inpatient services. For each hospital admission, a single DRG category shall be assigned based on the patient's diagnosis, age, procedures performed, length of stay, and discharge status. For claims with dates of services prior to January 1, 1995 payments shall be based on the reimbursement per diem in effect prior to January 1, 1995. However, for claims related to services where the admission was prior to January 1, 1995 and the discharge was after December 31, 1994, then the greater of the total per diem for services rendered prior to January 1, 1995, or the appropriate DRG payment shall be made.

(b) The Division of Medical Assistance (Division) shall use the DRG assignment logic of the Medicare Grouper to assign individual claims to a DRG category. Medicare revises the Grouper each year in October. The Division shall install the most recent version of the Medicare Grouper implemented by Medicare to be effective October 1 of each following rate year. Effective October 1, 2012, the Division shall install the most recent version of the Medicare Grouper implemented by Medicare to be effective October 1 of each rate year. The initial DRG in Version 12 of the Medicare Grouper, related to the care of premature neonates and other newborns numbered 385 through 391, shall be replaced with the following classifications:

385	Neonate, died or transferred, length of stay less than 3 days
801	Birth weight less than 1,000 grams
802	Birthweight 1,000 – 1,499 grams
803	Birthweight 1,500 – 1,999 grams
804	Birthweight >=2,000 grams, with Respiratory Distress Syndrome
805	Birthweight >=2,000 grams premature with major problems
810	Neonate with low birthweight diagnosis, age greater than 28 days at admission
389	Birthweight >= 2,000 grams, full term with major problems
390	Birthweight >= 2,000 grams, full term with other problems or premature without major problems
391	Birthweight >= 2,000 grams, full term without complicating diagnoses

Effective October 1, 2008, the premature neonates and other newborn DRGs listed above are replaced by the premature neonates and other newborn DRGs in Version 25 of the Medicare Grouper (i.e. DRGs 789-795).

DRG 789 Neonate, died or transferred, length of stay less than 3 days.

Effective October 1, 2017, the below DRG classifications specific to long-acting reversible contraceptives (LARCs) are added to the current Grouper version.

1765	Cesarean Section W CC/MCC with LARC
1766	Cesarean Section W/O CC/MCC with LARC
1767	Vaginal Delivery W Sterilization &/or D&C with LARC
1768	Vaginal Delivery W O.R. Proc Except Sterile &/or D&C with LARC
1769	Postpartum & Post Abortion Diagnoses W O.R. Procedure with LARC
1770	Abortion W D&C, Aspiration Curettage or Hysterectomy with LARC
1774	Vaginal Delivery W Complicating Diagnoses with LARC
1775	Vaginal Delivery W/O Complicating Diagnoses with LARC
1776	Postpartum & Post Abortion Diagnoses W/O O.R. Procedure with LARC
1777	Ectopic Pregnancy with LARC
1779	Abortion W/O D&C with LARC

TN. No: 17-010

Supersedes

TN. No: 12-020

Approval Date: _____

Eff. Date: 10/01/2017