



SoonerCare Provider Reimbursement Notice

OKC Metro Area (405) 522-6205 / Statewide Toll-Free (800) 522-0114

Annual DRG Rebasing effective January 1, 2008

OHCA PRN 2007-05

August 30, 2007

Hospital Administrators

This letter is to update you on the annual review process for inpatient hospital services paid under the Diagnosis Related Group (DRG) system. OHCA mailed out letters August 16, 2007 notifying you of the cost-related characteristics that were being used to classify your facility into peer groups. If you did not receive a letter, please let us know.

Cost-to-Charge Ratios (CCRs)

Included in the above referenced letter was the CCR we have calculated for your facility. The letter did not detail the methodology used to calculate the CCR, however that information can be found on our public website within the "[DRG Study by APS](#)" report beginning on page 8. While the report was compiled in 2006 based on data from our first year of implementation (therefore some of the specific examples and the report appendices are no longer valid) the methodology is the same. The detail data was pulled from the 3 most current cost reports on file in the CMS Healthcare Cost Report Information System (HCRIS).

MS-DRGs

We have received many questions regarding whether OHCA will be adopting Medicare's MS-DRGs. We do anticipate adopting the grouper and the expanded list of DRGs however the DRG weights themselves will continue to be based on the most current 3 years of *Medicaid* data available.

We are still in the early stages of our analysis and updating process but will mail out letters detailing each facility's base rate as that information becomes available. Additionally, we will make the updated DRG weights available on our public website at www.okhca.org/providers/types/drg prior to implementation on **January 1, 2008**.

If you have any questions or require additional information please phone Kelly Taylor at (405) 522-7108 or email at Kelly.Taylor@okhca.org.

Thank you for your continued service to Oklahoma's *SoonerCare* members.