



STATE OF MICHIGAN

DEPARTMENT OF COMMUNITY HEALTH
LANSING

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Hospitals and Medicaid Health Plans:

On November 1, the Medical Services Administration (MSA) issued proposed policy project 1039-DRG, Rebasing Diagnosis Related Group (DRG) Rates; DRG Grouper Update; Present on Admission (POA) Indicator and non-payment for Hospital Acquired Conditions (HAC) policy. The proposed policy was to be effective January 1, 2011. Due to the need for further analysis, MSA has delayed the implementation of the policy until April 1, 2011.

Current hospital reimbursement policy remains unaffected until April 1, 2011. This includes the application of current DRG Grouper 27.0 and hospital weights and rates. In addition, proposed policy related to the POA Indicator and non-payment for Hospital Acquired Conditions will not be implemented until April 1, 2011 in conjunction with the DRG rebasing and DRG grouper update.

Questions related to the policy delay can be directed to Meghan Sifuentes of the Actuarial Division in MSA. She can be contacted at 517-241-7541 or sifuentesm@michigan.gov.

Sincerely,

Stephen Fitton, Director
Medical Services Administration