



TO: Acute Inpatient Hospitals

RE: Diagnostic Related Group (DRG) Coding Reviews

In the next few months, the Department of Social Services (DSS) will begin conducting reviews of inpatient hospital claims paid under a Diagnostic Related Group (DRG) methodology to ensure DSS is reimbursing the proper amount for these claims in conformance with Medicaid and DSS policy. These post payment reviews will be conducted by DSS's contractor, Health Management Systems, Inc. (HMS).

The review process will start with HMS sending a list of targeted claims to hospitals and requesting medical records. Hospitals will have the option to send these records to HMS through an electronic transmission process, on a CD, or paper. It is important that hospitals cooperate with submitting all requested documentation in a complete and timely manner as failure to do so will result in recoupment of the DSS payment.

Following HMS's review, they will send reports to the hospitals listing claims with no findings (approved) and claims with findings (improperly coded and paid, or untimely or incomplete record response). For the improperly paid claims, the report will include the billed coding and DRG information for which DSS made payment, the corrected coding and DRG information HMS identified from its review, and a narrative of HMS's findings.

Hospitals will be provided an opportunity to submit a reconsideration request for any claim identified as improperly paid. Hospitals must submit additional documentation and rationale that would support Medicaid payment for the services as billed under the original DRG.

HMS will review reconsideration requests and report the results (finding overturned or upheld) to the hospital.

For those claims identified as improperly overpaid by HMS, DSS will initiate a full recoupment of the claim payment and hospitals will be required to resubmit a new claim to DSS with the corrected coding as provided on HMS's findings report.

HMS will provide an online provider portal to streamline the review process, facilitate communication, and offer claims status information to stakeholders throughout the review cycle. Training and support information will be offered to hospital staff.

Additional information and instructions will be provided to the hospitals by HMS at the beginning of the review process.

If you have any questions about the information in this bulletin, please contact CT_Medicaid_State@hms.com.