

Inpatient hospital payments

This document contains general information. It is not legal advice. Every situation is different and other laws might apply to your situation. If you have questions, contact an attorney, visit the Department of Labor and Industry website at www.dli.mn.gov/business/workers-compensation-businesses or call the workers' compensation hotline at 800-342-5354 and press 3.

MS-DRG guidelines

- The maximum reimbursement for inpatient hospital services, articles and supplies is 200 percent of the amount calculated for each hospital under the PC Pricer program.
- Effective Jan. 1 through Dec. 31, 2016, inpatient bills greater than \$175,000.00 are paid at 75 percent of the hospital's usual and customary charge.
- Effective Jan. 1 through Sept. 30, 2017, inpatient bills greater than \$183,523.00 are paid at 75 percent of the hospital's usual and customary charge.
- Effective Oct. 1, 2017, through Sept. 30, 2018, inpatient bills greater than \$196,021.00 are paid at 75 percent of the hospital's usual and customary charge.
- Reimbursement for inpatient stays at critical access hospitals is 100 percent of the hospital's usual and customary amount.

Within 30 days of receipt of the hospital's bill the payer must:

- pay the bill at 200 percent of the MS-DRG amount with no reductions; or
- deny payment for the entire hospitalization for one of the following reasons:
 - the patient's workers' compensation injury claim is denied,
 - the hospitalization is unrelated to the admitted work injury or
 - the hospitalization is not reasonably required to cure or relieve the effects of the work injury.

The 30-day count is **not** extended pending receipt of itemization or additional information if:

- the hospital submitted charges electronically (837I);
- an MS-DRG applies to the hospitalization; and
- the hospital's total charge is less than \$196,021.00 from Oct. 1, 2017, through Sept. 30, 2018 (less than \$183,523.00 from Jan. 1 through Dec. 31, 2017, or less than \$175,000.00 from Jan. 1 through Dec. 31, 2016).

Online resources

- Hospital information
<https://data.medicare.gov/Hospital-Compare/Hospital-General-Information/xubh-q36u>

- Minnesota Statutes § 176.1362, Inpatient hospital payment
www.revisor.mn.gov/statutes/?id=176.1362
- Minnesota Rules 5221.0600, Payer responsibilities
www.revisor.mn.gov/rules/?id=5221.0600
- Minnesota Statutes § 176.135
www.revisor.mn.gov/statutes/?id=176.135
- Minnesota Department of Labor and Industry, Workers' Compensation Division
www.dli.mn.gov/business/workers-compensation-businesses
- Minnesota Administrative Uniformity Committee (AUC) 835 companion guide – Appendix B
www.health.state.mn.us/auc/guides/docs/cg835.pdf
- PC Pricer tool
www.dli.mn.gov/business/workers-compensation/work-comp-pc-pricer-tool-inpatient-hospital-bills