

|-&gt;

Title 22@ Social Security

|-&gt;

Division 3@ Health Care Services

|-&gt;

Subdivision 1@ California Medical Assistance Program

|-&gt;

Chapter 3@ Health Care Services

|-&gt;

Article 7.5@ HOSPITAL INPATIENT SERVICES REIMBURSEMENT SECTION

|-&gt;

Section 51553@ Peer Grouping

## **51553 Peer Grouping**

### **(a)**

Hospital reimbursement shall, unless exempted from or modified by the provisions of this section, be payable at no more than the 60th percentile aligned ARPD of the peer group to which the hospital is assigned by the Department. This limit is the Peer Group Rate Per Discharge Limitation (PGRPDL). The peer groups shall be based on a classification of hospitals as determined in the 1991 Hospital Peer Grouping Report published by the Department, that combines individual hospitals in a unit on the basis of similar or common characteristics. The following peer group classifications will be used: (1) University Teaching Hospitals. (2) Major (non-university) Teaching Hospitals. (3) Large Teaching Emphasis Hospitals. (4) Medium/Small Teaching Emphasis Hospitals. (5) Extremely Large Sized Hospital. (6) Large Sized Hospitals. (7) Moderately Sized Hospitals. (8) Medium Sized Hospitals. (9) Moderately Small Sized Hospitals. (10) Very Small Sized Hospitals. (11) Acute Psychiatric Hospitals. (12) Alcohol-Drug Rehabilitation Hospitals. (13) Combination Psychiatric/Alcohol/Drug Rehabilitation Hospitals. (14) Psychiatric Health Facilities. (15) Psychiatric Teaching Hospitals. (16) Psychiatric Children's Hospitals. (17) Moderate Alcohol-Drug Rehabilitation Emphasis Hospitals. (18) Moderate Psychiatric Emphasis Hospitals. (19) State Hospital-Veterans Home. (20) State Hospital-Mental Health. (21) State Hospital-Developmental Services. (22) Children's Hospitals. (23) Crippled Children's Hospitals. (24) Rehabilitation

Hospitals. (25) Large Rehabilitation Emphasis Hospitals. (26) Respiratory Specialty Hospitals. (27) Student Health Centers. (28) Charitable Research Hospitals. (29) Rural Hospitals. (30) Specialty Teaching Hospitals. (31) Prepaid Health Plan Hospitals. (32) Prepaid Health Plan-Psychiatric/Alcohol-Drug Rehabilitation Hospitals. (33) Prepaid Health Plan-Teaching Emphasis. (34) Eye Hospitals. (35) Women Hospitals. (36) Dental/Outpatient Hospitals.

**(1)**

University Teaching Hospitals.

**(2)**

Major (non-university) Teaching Hospitals.

**(3)**

Large Teaching Emphasis Hospitals.

**(4)**

Medium/Small Teaching Emphasis Hospitals.

**(5)**

Extremely Large Sized Hospital.

**(6)**

Large Sized Hospitals.

**(7)**

Moderately Sized Hospitals.

**(8)**

Medium Sized Hospitals.

**(9)**

Moderately Small Sized Hospitals.

**(10)**

Very Small Sized Hospitals.

**(11)**

Acute Psychiatric Hospitals.

**(12)**

Alcohol-Drug Rehabilitation Hospitals.

**(13)**

Combination Psychiatric/Alcohol/Drug Rehabilitation Hospitals.

**(14)**

Psychiatric Health Facilities.

**(15)**

Psychiatric Teaching Hospitals.

**(16)**

Psychiatric Children's Hospitals.

**(17)**

Moderate Alcohol-Drug Rehabilitation Emphasis Hospitals.

**(18)**

Moderate Psychiatric Emphasis Hospitals.

**(19)**

State Hospital-Veterans Home.

**(20)**

State Hospital-Mental Health.

**(21)**

State Hospital-Developmental Services.

**(22)**

Children's Hospitals.

**(23)**

Crippled Children's Hospitals.

**(24)**

Rehabilitation Hospitals.

**(25)**

Large Rehabilitation Emphasis Hospitals.

**(26)**

Respiratory Specialty Hospitals.

**(27)**

Student Health Centers.

**(28)**

Charitable Research Hospitals.

**(29)**

Rural Hospitals.

**(30)**

Specialty Teaching Hospitals.

**(31)**

Prepaid Health Plan Hospitals.

**(32)**

Prepaid Health Plan-Psychiatric/Alcohol-Drug Rehabilitation Hospitals.

**(33)**

Prepaid Health Plan-Teaching Emphasis.

**(34)**

Eye Hospitals.

**(35)**

Women Hospitals.

**(36)**

Dental/Outpatient Hospitals.

**(b)**

The Department may review and change the number and definitions of peer groups and the peer group placement of individual providers. (1) Providers shall be notified of all such reviews and resultant changes to the peer groups. (2) For purposes of peer group placement, license beds shall be average licensed beds excluding any beds in suspense, in accordance with Section 1271.1 of the Health and Safety Code. (3) All peer group assignments will be for all FPEs between July 1st and June 30th for each fiscal year.

**(1)**

Providers shall be notified of all such reviews and resultant changes to the peer groups.

**(2)**

For purposes of peer group placement, license beds shall be average licensed beds excluding any beds in suspense, in accordance with Section 1271.1 of the Health and Safety Code.

**(3)**

All peer group assignments will be for all FPEs between July 1st and June 30th for each fiscal year.

**(c)**

Providers exempted from application of the PGRPDL shall consist of new hospitals, rural hospitals, sole community hospitals, children's hospitals, crippled children's hospitals, charitable research hospitals, primary health service hospitals and hospitals in peer groups with less than five Medi-Cal providers.

**(d)**

Providers with less than 15 Medi-Cal discharges in any FPE that covers over 360 days, shall be exempt from the PGRPDL for that FPE only.

**(e)**

The peer group 60th percentile ARPD for each July 1-June 30 FPE shall be calculated by: (1) Obtaining the ARPD for each provider for the FPE during the state's fiscal period (or use the latest available if one is not yet available for the selected time period). (2) Using actual or estimated rates of inflation, align the ARPD for each hospital to a July 1 to June 30 FPE. (3) Locating the 60th percentile, by multiplying 0.6 times one more than the number of ARPDs in the peer group. (4) Starting from the bottom of a list of ARPDs, ordered from the lowest ARPD at the bottom, up to the highest ARPD at the top, count up the number of ARPDs using the result of (3) above. (5) Interpolate if necessary.

**(1)**

Obtaining the ARPD for each provider for the FPE during the state's fiscal period (or use the latest available if one is not yet available for the selected time period).

**(2)**

Using actual or estimated rates of inflation, align the ARPD for each hospital to a July 1 to June 30 FPE.

**(3)**

Locating the 60th percentile, by multiplying 0.6 times one more than the number of ARPDs in the peer group.

**(4)**

Starting from the bottom of a list of ARPDs, ordered from the lowest ARPD at the bottom, up to the highest ARPD at the top, count up the number of ARPDs using the result of (3) above.

**(5)**

Interpolate if necessary.

**(f)**

The 60th percentile ARPD shall be updated quarterly.

**(g)**

Once a final PIRL settlement is issued for a provider, the 60th percentile ARPD established in that provider's FPE shall not change, even though the final PIRL settlement may be reissued as a "recalculated final PIRL settlement" as a result of any appeal as well as other reasons for recalculation.