

Medicare case essay sample

[Health & Medicine](#), [Hospital](#)



**ASSIGN
BUSTER**

1. List at least two major reasons that Medicare administrators turned to the prospective payment concept for Medicare beneficiaries. Medicare payments to hospitals grew, on average, by 19 percent annually (three times the average overall rate of inflation). The Medicare hospital deductible expanded, creating a burden for Medicare beneficiaries. 2. How do MS-DRGs encourage inpatient facilities to practice cost management? Linking like patients with like-resource consumption allows hospitals to perform cost management by DRG or DRG groupings. 3. Why was a severity of illness refinement performed on the DRG system? Was it supported by the healthcare community? The severity of illness refinement allows cases with a higher severity of illness ranking to be more appropriately reimbursed. Yes, the refinement was supported by the healthcare community. 4. List the steps of MS-DRG assignment.

Pre-MDC Assignment, MDC Determination, Medical/Surgical Determination, and Refinement. 5. Why does the IPF PPS length-of-stay adjustment factor grow smaller during the patient encounter? Cost regression indicated that the per-diem cost for psychiatric cases decreased as the length of stay increased. 6. Describe at least two patient-level adjustments for IPF PPS claims and explain why they are used. An adjustment was implemented for older patients because regression analysis shows the cost per day as increasing with increasing patient age. Another adjustment was implemented for patients receiving electroconvulsive therapy, the cost of which is associated with longer stays and increased use of ancillary services.

7. What is the labor portion of the IPF PPS per diem rate? What is the non-labor portion of the IPF PPS per diem rate? Labor-related share is adjusted by

the wage index for the hospital's geographic location-based encore-based statistical areas (CBSAs). The non-labor share is modified by a cost-of-living adjustment (COLA). 8. Why was the initial stay and readmission provision included in the IPF PPS? CMS did not want to provide an incentive for facilities to prematurely discharge patients and then subsequently re-admit them since the length of stay adjustment is weighted heavier for the beginning days for an admission. 9. Describe the medical necessity provision of the IPF PPS.