

Inpatient Operating Base Rates: Medicaid

	System	Standard Amt	Average	Median	Low	High	Comments
IN	APR-DRG (Version 36)	\$3,524	\$3,524	\$3,524	\$3,524	\$3,524	<ul style="list-style-type: none"> Statewide base operating payment (same for all hospitals). No wage index adjustments; all hospitals have same base rate, with exception of children's hospitals Base rates and relative weights last updated 8/1/2020.
IL	APR-DRG (Version 40)	\$3,872 (10% increase from \$3,520)	\$3,838	\$3,972	\$3,501	\$4,051	<ul style="list-style-type: none"> APR-DRG weights, wage index factors, cost-to-charge ratios are recalibrated once every 3 years. Base rates will increase by 10% starting January 1, 2024. and are reflected in this table. Eligible hospitals receive Medicaid Percentage Adjustment (MPA) and Medicaid High Volume (MHVA) per diems that are considered part of base payment (not included in rate analysis). Safety-net designated hospital receive add'l per diems.
KY	MS-DRG (FFY 2024 Medicare)	\$5,975-\$6,173 (Unadjusted Medicare Federal Rates x 95%)	\$5,796	\$5,656	\$5,326	\$8,230	<ul style="list-style-type: none"> Reimbursement based on 95% of Medicare rates, using the latest Medicare FFY 2024 IPPS Final Rule (effective as of 10/1/2023 in analysis). Applies hospital-specific rate methodology for Sole Community Hospitals (SCHs) and Medicare Dependent Hospitals (MDHs). Base rate partially funded by provider assessments/taxes. \$26.6M of provider assessments (enacted in 2006/2007) are used for this purpose. Base rates and MS-DRG weights updated annually to align with Medicare (every 10/1).
MI	APR-DRG (Version 40)	\$5,025	\$4,996	\$4,972	\$4,622	\$5,524	<ul style="list-style-type: none"> Receive wage index adjustments based on Michigan methodology (using Medicare wage indexes). A budget neutrality factor is included. Base rate partially funded by provider assessments/taxes. \$36M of provider assessments (enacted in 2006/2007) is used for this purpose (covers inpatient and outpatient). Provider taxes are also paying for a 21% increase to OP base rates, which started in 2021, of approximately \$48 million a year. Base rates and APR-DRG weights are recalibrated each year (10/1). MI base rates increased 3% starting 10/1/2023 (budget neutral). Trauma Level I & II hospitals set to receive a 7% increase.
OH	APR-DRG (Version 41)	\$4,287 (SW) - \$5,989 (Teaching)	\$5,005	\$4,770	\$3,545	\$7,459	<ul style="list-style-type: none"> State categorizes hospitals by region or provider type (critical access, rural, teaching, or children's). Many hospitals have different rates based on prior DRG system transition (pre-2017). Base rates last updated 4/1/2018. DRG grouper version updated each year though relative weights have not been updated since 2019 (exceptions may occur due to grouper changes).

Noted: Short-term acute care hospitals only have been analyzed. Specialty hospitals (critical access, children's, long-term care, psychiatric, and rehabilitation) have been removed. Rates have not incorporated any Disproportionate Share Hospital (DSH), Graduate Medical Education (GME), supplementals (i.e., Directed Payments), or Outlier payments.

The analysis focused on the Top 10 APR-DRGs (excluding Psychiatric APR-DRGs) using data from the 2020 Inpatient Discharge Database provided by the Indiana Department of Health for Medicaid. The median rate in each state and the most recent relative weights published by each state were used in the reimbursement comparison. In 75% of the cases, Indiana exhibited the lowest reimbursement. This comparison did not incorporate any policy adjusters for Illinois or alternative weights for Michigan.