Bundled Episode Payment and Gainsharing Demonstration*
Delivery Case Rate Definition

Component	Description
Summary Description	This episode definition covers all facility and professional services rendered during a woman's hospitalization for labor and delivery. A single case rate will be paid, regardless of whether delivery is vaginal or C-section.
Episode Structure	Episode begins on date of admission for triggering DRG and ends on hospital discharge date for delivery stay. Includes Postpartum Complications within 60 days of discharge (see below.)
Clinical Conditions (DRGs)	**Episode is triggered by one of the following DRGs:** • MS DRG 765: Cesarean section w CC/MCC • MS DRG 766: Cesarean section w/o CC/MCC • MS DRG 767: Vaginal delivery w sterilization &/or D&C • MS DRG 768: Vaginal delivery w O.R. procedures except sterilization &/or D&C • MS DRG 774: Vaginal delivery w complicating diagnoses • MS DRG 775: Vaginal delivery w/o complicating diagnoses

Standard Services	**Services expected within the episode period (may not be separately billed), include all facility charges for:**
	• Hospital inpatient stay for DRG's above
	• Professional charges during the inpatient stay
	
	Services which, if they occur within the episode period, may not be separately billed:
	• Postpartum Complications within 60 days of discharge:
	   o DRG 769 Postpartum Diagnoses with OR procedure
	   o DRG 776 Postpartum Diagnoses without OR procedure
	
	Services excluded from Standard Definition, may be separately billed:
	• Outpatient prescription drugs

Patient Qualification	**For inclusion in the pilot, patient must be:**
	• Covered by participating health plan during complete episode period
	• Over age 13 and under age 50
	Patients are excluded from the pilot if:
	• Discharge status is:
	   o Left against medical advice
	   o Transferred during labor
	• Clinical history demonstrates:
	   o Active Cancer
	   o AIDS
	   o Fetal Surgery
	   o Gestational Age Less than 37 weeks
	   o Multi-Gestation 3+ (or twins that share one amniotic sac)
	   o Multiple Sclerosis
	   o Pulmonary Embolism
	   o Renal Dialysis
	   o Rupture of Uterus
	   o Transplant

Component	Description
Payment Mechanism	Single case rate to be determined based on weighted average blend of C-section rate and vaginal delivery rate. The blend will be set to reflect a reasonable target rate of cesarean sections, such as 25%, which has been achieved by many hospitals today, but which represents a decrease from California's overall rate of 32%. May be subject to risk adjustment (see subsequent section).
Severity Markers/Risk Adjustment	No prospective risk adjustment. Recommend reviewing experience on annual basis for following potential severity markers for population-based risk adjustment vs. risk-adjusting every episode.

Complications
Anesthetic complications during pregnancy
Hemorrhage in pregnancy
Pregnancy, with shock

Comorbidities
Abnormalities of genital tract in pregnancy
Anemia in pregnancy
Asthma
Bipolar disorder
Breech pregnancy
Cerebrovascular disorders of pregnancy
Diabetes (pre-existing)
Drug dependence in pregnancy
Eclampsia
Fetal complication in pregnancy
Gestational diabetes
Heart disease in pregnancy
Hemorrhage in pregnancy
Hypertension
Hypertension in pregnancy
Liver disease in pregnancy
Major depression
Morbid obesity
Other infectious diseases in pregnancy
Pregnancy, with deep vein thrombosis
Pregnancy, with mild preeclampsia
Pregnancy, with severe preeclampsia
Previous C-section
Pyelonephritis
Renal disease in pregnancy
Rheumatologic diagnosis
Schizophrenia
Sickle cell disease
Twins with two amniotic sacs