Department for Medicaid Services

Change in Medicaid Payment Methodology for Hospital Emergency Room Service

Agenda

- Introduction - Russ Fendley
- Reimbursement Changes - Norman Stiefler
- Impact of Change to Hospital Providers - Russ Fendley
- Billing Changes - Stayce Towles
- Paid Claims Listing - Harriett Devore
- Impact to Cost Reports - Lori Pettit

Introduction

- History of Medicaid reimbursement for Emergency Room service
  - Current Payment Methodology
- Methodology in other states
- Reasons for changes by Medicaid

Reimbursement Changes

- Flat Rate for Emergency Room Services
  - Medical Assessment - $20 - Hospitals providing medical assessment service under EMTALA rules will be required to bill the services with Revenue Code 451
  - Emergency Services will be identified by the Emergency Room revenue code of 450 and the appropriate CPT that indicates the level of emergency room service rendered.
  - Medicaid will establish a three tier fixed price based upon 2002 CPT coding guidelines for the Emergency Room service

Reimbursement Changes

- Level 1 - Fixed Rate of $82
  - Identified when the UB-92 contains revenue code 450-Emergency Room and CPT Code 99281
- Level 2- Fixed Rate of $164
  - Identified when the UB-92 contains revenue code 450-Emergency Room and CPT Code 99282 or 99283
- Level 3 - Fixed Rate of $264
  - Identified when the UB-92 contains revenue code 450-Emergency Room and CPT Code 99284 or 99285
  - Includes Critical Care CPT Codes 99291 and 99292

Reimbursement Changes

- Any professional fees generated and billed by a department(s) of the hospital for services to the Emergency Room patient must be billed on HCFA 1500
- UB-92's submitted with revenue code 450 will be denied if there are professional fees included on the claim

Reimbursement Changes

- Revenue Codes for additional services provided to the patient will be included in the fixed rate paid
  - Services provided to an Emergency Room patient and included in the fixed rate are:
    - Pharmacy
    - Medical Supplies
    - Radiology
    - Laboratory
    - Physical Therapy
    - EKG/EEG
    - Respiratory Therapy

Reimbursement Changes

- Services for which a separate fixed rate will be paid when provided to an Emergency Room patient are:
  - CT Scan W/WO Contrast - $460
  - MRI W/WO Contrast - $570
  - Observation - $440
  - Ultrasound - $170
  - Lithotripsy - $3,590
  - Cardiac Catheterization - $1,420 Left/Right or $1,700 Both

Reimbursement Changes

- Emergency Room Service within 24 hours of admission
  - Effective upon implementation of DRG, charges for Emergency Room services provided within 24 hours of an admission must be billed by the hospital on the inpatient bill
  - These services will no longer be billed on an outpatient bill
  - Payment will be made according to the hospital inpatient rate

Hospital Providers Impact of Change

- Critical Access Hospitals will continue to be cost settled to 100% of cost through the cost report process
- All other acute care hospitals will go to fixed rate reimbursement for Emergency Room service

Paid Claims Listing

- Paid Claims Listing will identify charges and payments for services associated with Emergency Room service paid at fixed rate from services cost settled through the cost report
- The Paid Claims Listing for hospitals with a fiscal year end September 30, 2002, will have the fixed rate services paid during the month of September identified separately

Sample Paid Claims Listing

DRAFT **DRAFT** **DRAFT** **DRAFT** **DRAFT** **DRAFT**

REQ INFO : DOE JOHN DMS

KYMM3687-R001
RUN DATE: 002/07/09

KENTUCKY TITLE XIX
OUTPATIENT HOSPITAL **EMERGENCY ROOM**
PAID CLAIMS RECONCILIATION

PAGE: 1

FACILITY GENERAL MEMORIAL HOSPITAL
VENDOR # 0999999900
FY FROM 03/01/2000 TO 02/28/2001

BY _____ DATE _____
CHECK BY _____ DATE _____

	TOTAL PAID* BY MEDICAID	TOTAL PAID ER FIXED RATE	TOTAL PAID ADDITIONAL SVC	PAID BY TPL	TOTAL ** CHARGES	TOTAL ER FIXED RATE CHANGE	TOTAL ADDITIONAL SERVICE CHARGES
TOTALS:	**$99,999,999.99**	**$9,999,999.99**	**$9,999,999.99**	**$99,999.99**	**$99,999,999.99**	**$9,999,999.99**	**$99,999,999.99**

***TOTAL PAID ER FIXED RATE PLUS TOTAL PAID ADDITIONAL SVC EQUAL TOTAL PAID BY MEDICAID**
****TOTAL ER FIXED RATE CHARGES PLUS TOTAL ADDITIONAL SERVICE CHARGES EQUAL TOTAL CHARGES**

Sample Paid Claims Listing (Cont)

KYS M35 40-R002 R EQ INFO: JOHN DOE DMS
CURRENT DATE 07/09/02 KENTUCKY MED CALASSISTANCE PROGRAM PAGE 1
GENERALMEMORIAL HOSPITAL PAID CLAIMS LISTING
0999999900 OUTPATIENT HOSPITALEMERGENCY ROOM FIXED RATE SUMMARY

PROVIDER NAME AND ADDRESS
GENERALMEMORIAL HOSPITAL
1625 NASHVILLE ROAD
ANYWHERE 49999

		FIXED RATE CHARGES*		ADDITIONAL SERVICE CHARGES**
TOTAL CHARGES	$9,999,999.99	PHARMACY	$18,345,903	CT SCANS $9,999,999.99
TOTAL PAID BY TITLE XIX	$999,999.99	IV THERAPY	$ 3,120.00	ULTRASOUND $999,999.99
TOTAL PAID BY THIRD PARTIES	$999,999.99	MED/SURG SUPPLIES AND DEVICES	$10,436,416	CARDIACCATHLAB $999,999.99
TOTAL PAIDER FIXED RATE *	$9,999,999.99	LABORATORY	$518,964.55	MRI $999,999.99
TOTAL PAIDCTSCANS**	$999,999.99	RADIOLOGY - DIAGNOSTIC	$241,398.44	OBSERVATION ROOM $99.99
TOTAL PAIDULTRASOUND**	$999,999.99	NUCLEAR MEDICINE	$ 18,961.74	LITHOTRIPSY $9.99
TOTAL PAIDCARDIACCATHLAB**	$999,999.99	CT SCAN	$135,843.85	
TOTAL PAIDMRI**	$9,999,999.99	OPERATING ROOM SERVICES	$ 81,178.49	
TOTALPAID OBSERVATION ROOM**	$9,999.99	ANESTHESIA	$ 11,508.05	
TOTALNON-COVERED CHARGES	$99.99	BLOOD	$ 4,486.53	
		BLOODSTORAGE AND PROCESSING	$ 1,314.14	
		OTHER IMAGING SERVICES	$141,797.11	
		RESPIRATORY SERVICES	$ 21,435.25	
		PHYSICALTHERAPY	$143,341.55	
		SPEECH-LANGUAGE PATHOLOGY	$ 7,638.84	
		EMERGENCY ROOM	$393,877.81	
		PULMONARY FUNCTION	$ 13,515.80	
		CARDIOLOGY	$ 15,146.15	
		CLINIC	$ 61.80	
		MRI	$ 78,234.68	
		DRUGS DETAILCODE	$ 735.93	
		CASTROOM	$ 51.38	
		RECOVERY ROOM	$ 26,534.47	
		LABOR ROOM /DELIVERY	$ 1,865.56	
		EKG/ECG	$ 23,103.43	
		EEG	$ 3,619.68	
		GASTRO-INTESTINAL SERVICES	$ 17,752.05	
		TREATMENTOR OBSERVATION ROOM	$ 23,306.67	
		OTHER DIAGNOSTIC SERVICES	$ 71,076.91	
		OTHERTHERAPEUTIC SERVICES	$ 1,158.56	
		PROFESSIONAL FEES (CONT)-97	$ 368.88	
		PROFESSIONAL FEES (CONT)-98		
		PATIENT CONVENIENCEITEMS	$ 31.03	

*Payments and Charges on claims paid as ER (Revenue Codes 450 or 451) (Excludes Additional Service Charges)
**Payments and Charges associated with the Additional Service Revenue Categories (see attached).

Impact to Cost Reports

- Changes to Paid Claims Listing (PCL) and completing Medicare Cost Report
  - Emergency Room changes for flat rate distinguished from cost-based on PCL
  - Providers will use cost-based charges from PCL to complete Worksheet D, Part V, Title XIX for Emergency Room

Impact to Cost Reports Effect on DMS

- Changes to Medicaid 23-page report
  - Charges from PCL will be separated between flat rate charges and cost-based charges for Emergency Room
  - Cost-based charges will be utilized on both Scratch Sheet B and Worksheet D, Part V
  - Cost-to-charge ratios will continue being pulled from the HCFA 2552-96 cost report Worksheet C

Impact to Cost Reports

Transition Process
Prior to FYE 8/31/03

- Outpatient Settlement
  - For FYEs that overlap the cost-based and the flat rate methodology, the outpatient settlement will include only the portion of Emergency Room under the cost-based methodology
  - Example: Hospital's FYE is 9/30/02
    The hospital will receive a 12 month PCL that will include one month under the flat rate methodology and 11 months of cost-based charges

Impact to Cost Reports

- Beginning with FYEs 8/31/03 and beyond:
  - End of Transition Process:
    - PCLs will no longer include cost-based Emergency Room charges
    - Cost settlements will continue for all other outpatient services

For additional questions, please
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