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Agency of Human Services

November 16, 2015

Providers,

Please review the following policy summary and attached materials that describe the specific changes being proposed as part of the DVHA's annual hospital outpatient prospective payment system (OPPS). The DVHA invites comments and feedback regarding all aspects of the proposed changes.

Any comments should be submitted to the DVHA Reimbursement Unit by the due date specified. Your comments must be received by the due date to be considered before the final policy is released.

Send Comments to: DVHA Reimbursement Unit
312 Hurricane Lane, Suite 102
Williston, VT 05495
AHS.DVHAReimbursement@state.vt.us

Thank you for your consideration,



Tom Boyd, Deputy Commissioner for Health Reform
Christine Blackburn, Reimbursement Analyst



Comments Due: 12/18/2015

Proposed Effective Date: 1/1/2016

Policy Subject:

Vermont Medicaid Outpatient Prospective Payment System (OPPS)

Purpose:

Annual VT Medicaid OPPS updates effective for CY2016

Policy Summary:

For CY2016, The DVHA proposes to update rates and status indicators consistent with Medicare rates and status indicator changes described in their final rule published on November 13, 2015: <http://www.gpo.gov/fdsys/pkg/FR-2015-11-13/pdf/2015-27943.pdf>

The DVHA also proposes to add the following methodological and billing updates to the VT Medicaid OPPS.

These items include:

1. Implementation of status indicator Q4 (Conditionally Packaged Outpatient Lab Tests)
2. Addition of new POS 19 (Off Campus -Outpatient Hospital)
3. Discontinue the use of E&M codes 99201-99205 and 99211-99215 on facility claims, replace with G0463

Adding these additional methodologies and billing updates will help the DVHA align more closely with Medicare. The DVHA is seeking public comment on all of the proposals described within this document for updates to the VT Medicaid OPPS.



Overview of Each Update:

1. Implementation of status indicator Q4 (Conditionally Packaged Outpatient Lab Tests)

Under Medicare's OPPTS, they have established a new status indicator "Q4" for the purpose of identifying laboratory tests which would be conditionally packaged unless an exception applies or the laboratory test is unrelated to the other outpatient services on the same claim.

- Q4: Packaged APC payment if billed on the same claim as a HCPCS code assigned published status indicator "J1," "S," "T," "V," "Q1," "Q2," "Q3."

The DVHA is proposing to utilize the new Q4 status indicator on the OPPTS fee schedule to identify laboratory tests which are subject to the conditional packaging rules being set forth by Medicare.

Providers would continue to use the "L1" modifier on the 13x bill type when non-referred clinical laboratory tests are eligible for separate payment under the following two exceptions;

- ❖ A hospital collects specimen and furnishes only the outpatient labs on a given date of service; or
- ❖ A hospital conducts outpatient lab tests that are clinically unrelated to other hospital outpatient services furnished the same day. "Unrelated" means the laboratory test is ordered by a different practitioner than the practitioner who ordered the other hospital outpatient services, for a different diagnosis.

For non-patient (referred) clinical laboratory specimens, providers would continue to bill outpatient lab tests separately on a UB04 with type of bill 14x. The L1 modifier would not need to be used in this instance.

2. Addition of new POS 19 (Off Campus -Outpatient Hospital)

In order to differentiate between on-campus and off-campus provider-based hospital departments, The DVHA is proposing to align with Medicare in updating our current Place of Service (POS) code set by adding new POS code 19 for "Off Campus-Outpatient Hospital" and revising POS code 22 from "Outpatient Hospital" to "On Campus-Outpatient Hospital."

- POS 19: Off Campus -Outpatient Hospital

A portion of an off-campus hospital provider-based department which provides diagnostic, therapeutic (both surgical and nonsurgical), and rehabilitation services to sick or injured persons who do not require hospitalization or institutionalization.



➤ POS 22: On Campus -Outpatient Hospital

A portion of a hospital's main campus which provides diagnostic, therapeutic (both surgical and nonsurgical), and rehabilitation services to sick or injured persons who do not require hospitalization or institutionalization.

Claims for covered services rendered in an Off Campus-Outpatient Hospital setting, or in an On Campus-Outpatient Hospital setting shall be paid at the facility rate. The payment policies that currently apply to POS 22 will continue to apply and will now also apply to POS 19 unless otherwise stated.

3. Discontinue the use of E&M codes 99201-99205 and 99211-99215 on facility claims

Beginning January 1, 2014, Medicare started requiring a single code (G0463) to be used for the facility fee on clinic visits. The DVHA allowed G0463 for CY2014 and 2015, but also continued to allow the use of 99201-99205 and 99211-99215, all with the same allowable rate.

For CY2016, the DVHA is proposing to **discontinue** the use of E&M codes 99201-99205 and 99211-99215 on facility claims (UB04). Provider-based clinics would now use G0463 in place of the previous E&M codes for the facility fee portion of an outpatient clinic visit.

➤ G0463 – Hospital outpatient clinic visit for assessment and management of a patient

This change would only apply to the hospital or facility portion of a clinic visit. The physician services claim (CMS1500) would remain the same and continue to utilize the appropriate CPT in code ranges 99201–99205 and 99211–99215.

The DVHA is proposing this policy change in order to further align with Medicare and to ensure providers are getting the most appropriate reimbursement for outpatient facility claims under our Outpatient Prospective Payment System (OPPS)

