

Important Outpatient Prospective Payment System (OPPS) APC – ASC

2nd Quarter (April) 2015 Update Information

The Michigan Department of Community Health (MDCH) issues a timed release schedule of the annual/quarterly specific to software changes for Optum (our MDCH software vendor). Optum and the OPPS Team members closely monitor the CMS site impacting updates. Work immediately begins reviewing policy impacts for coverage of Medicaid service(s) once CMS releases the files for any changes or updated files, (i.e., Integrated Outpatient Code Editor (I/OCE) Specifications, HCPCS, etc.).

A conference call was held with Optum on March 23, 2015, initiating review of the 2nd quarter OPPS (APC and ASC) updates. A second call is not anticipated at this time.

A timeline is required for Optum to develop the MI specific software version specific to each OPPS update (including any retro changes), perform quality control, internal development and testing period. An additional 6–8 weeks is required for internal program updates, quality assurance checks, and regression testing. MDCH includes time and consideration for additional CMS changes following the initial CMS release of the quarterly updates. The Optum software programming is separate and distinct from CHAMPS unit acceptance testing (UAT).

Once Optum has developed the MI APC specific software, the product is delivered to CNSI and scheduled as part of a maintenance release. MDCH works directly with Optum during development, however Optum needs adequate time to modify the MI specific APC product and complete internal control steps/development testing with each release. MDCH's OPPS is a Michigan (Medicaid) specific software product, aligning as closely as possible with Medicare.

MDCH's OPPS requires time for modification to be a MI Specific APC and ASC product. MDCH will recycle any OPH/APC and any ASC claims impacted as a result of this quarter's updates.

OPPS/APC and ASC Wrap Around Code Lists are revised reflecting quarterly updates, reflect any system updates and posted timely to the provider specific sites. The first quarter system modification has been completed and MDCH has begun recycling any OPH/APC and any ASC claims impacted as a result of the first quarter updates.

There were additions and changes addressed during the 2nd quarter OPPS OPH/APC and ASC quarterly updates.

NCCI and MUE

MDCH implemented the Medicaid NCCI and MUE in the MI APC/ASC products and began using the Medicaid NCCI and MUE values for dates of service (DOS) on and after July 1, 2013. The Medicaid NCCI and MUE values are reviewed with the quarterly file review and updates.

MEDICARE 2% SEQUESTRATION

The 2% Sequestration remains in effect through FY 2024 (pending any further congressional intervention). Potential impacts (hospital specific) resulting from the CY 14 changes and proposed CY 15 OPPS changes will be monitored closely. There potentially will be no direct impact on the state with the Medicare continuation in applying the sequestration cuts. DCH (Letter L 13-19, May 2013) cited this logic happens after the original processing of the claim. If any adjustments are required, DCH will respond timely with an OPPS reduction factor adjustment to maintain statewide budget neutrality.

DATA COLLECTION REQUIREMENTS – HOSPITAL CLAIMS (PROVIDER-BASED DEPARTMENT) [PBD] - MODIFIER PO

- Voluntary reporting starting with date of service (DOS) on and after 1/01/2015
- Mandatory reporting starting DOS on/after 1/01/2016
- HCPCS modifier “PO”
- Report the modifier with every code/service(s) rendered in a Provider-based department (PBD).
- CMS will create two new place of service (POS) codes to use for professional claims, replacing POS code 22 (hospital outpatient). One will identify outpatient services furnished in on-campus, remote, or satellite location of a hospital, and the other will identify services furnished in an off-campus, provider-based hospital setting.

PACKAGING: 2014 EXPANDED – 2,594 CODES UNCONDITIONALLY PACKAGED

CY 2015

- Ancillary services that currently pay separately *will not in 2015* when they are rendered on the *same date of service* as a procedure or visit.
- Elimination of Status Indicator (SI) “X” (ancillary services)

CY 2015 assigned to:

- Q1 (conditionally packaged STV-packaged codes)
- S (significant procedure, not discounted when multiple)

REVIEW COMPREHENSIVE APCs

The 2015 OPPS final rule implemented the Comprehensive APCs. The CMS [Addendum J](#) of the 2015 OPPS final rule is a spreadsheet that includes several tabs you may use to find additional information needed regarding the financial implications of comprehensive APCs (C-APCs).

It may be helpful to review identify/review the available information on Addendum J. The **first tab** lists all the HCPCS codes assigned to C-APCs, as well as each code's APC assignment and payment information. The **third tab** may be the most important for determining the impact C-APCs for you. It includes all of the code pairs that will lead to a complexity adjustment, as well as to *which higher-level APC* the combinations will lead.

Providers may review any potential financial impact of C-APCs payment logic by comparing what you are paid for those services under the 2015 rules and payment rates to what you were paid in 2014. You can do this by pulling five claims assigned a C-APC in 2015. Determine which items and services were paid for separately by CMS, and review what the payments would have been in 2014 when most of the services would have been paid separately.

Comprehensive APCs – Complexity adjustment. The new category of codes has a single claim payment. Through the OCE logic, the PRICER automatically assigns payment. For multiple unrelated device-dependent services on the same claim, only the highest comprehensive payment is made.

New Status Indicator J1: Identified by a new status indicator J1, the single payment for a primary service and payment for all adjunctive services reported on the same claims will be packaged into payment for the primary service.

New Status Indicator J1: Addendum J: 25 Comprehensive APCs with 12 clinical families; as follows:
AICPD = Automatic Implantable Cardiac Defibrillators, Pacemakers & Related Devices

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CLINICAL FAMILIES

BREAS = Breast Surgery
ENTXX = ENT Procedures
EPHYS = Cardiac Electrophysiology
EYEXX = Ophthalmic Surgery
GIXX = Gastrointestinal Procedures
NSTIM = Neurostimulators
ORTHO = Orthopedic Surgery
PUMPS = Implantable Drug Delivery Systems
RADTX = Radiation Oncology
UROGN = Urogenital Procedures
VASCX = Vascular Procedures

Hierarchy: If there is more than one code with SI/J1, Highest ranked C-APC, Higher severity = Higher payment, Complexity Adjustment.

Exclusions: Status Indicator F services, Preventive services, Brachytherapy services, pass-through drugs, biologicals and devices separately payable.

2nd QUARTER SUMMARY OF CHANGES

The exceptions are posted to the MDCH OPPS APC and ASC Wrap Around Code Lists. These are available on the DCH provider specific website.

NEW DEVICE PASS THROUGH STATUS

New HCPCS category C2623 will be covered for OPH/APC and ASCs; the C2623 device must always be billed with CPT 37224 or CPT 37226.

NEW DRUGS & BIOLOGICALS

There are six new drugs & biologicals for the 2nd quarter: APC & ASCs *will cover*: C9445, C9449, C9450, C9451 and C9452

Non Coverage: C9448: DCH's OPPS APCs & ACS

CODE CHANGE – REPLACE APCs & ASCs:

New HCPCS Q9975 Factor VIII - *replaces* C9136

CARRIER PRICED LAB CODES – No Changes to the Wrap Code List

OPPS OPH/APC and ASC REFERENCE DOCUMENTS 2nd QUARTER – MDCH Provider Specific Website

CMS Change Request (CR) 9097 [Transmittal 3217] April 2015 Update of the Hospital Outpatient Prospective Payment System (OPPS)

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CMS CR 9107 [Transmittal 3218] April 2015 Integrated Outpatient Code Editor (I/OCE) Specifications Version 16.1

CMS CR 9100 [Transmittal 3214] April 2015 Update of the Ambulatory Surgical Center (ASC) Payment System. Transmittal 3212, dated 3/06/2015, was rescinded and replaced by Transmittal 3214, dated 3/11/15.

CMS CR 9047 [Transmittal R3238CP] April 2015 Update of the Hospital Outpatient Prospective Payment (OPPS); this article was revised April 23, 2015, to reflect updated CR 9097 on April 14, 2015 and April 22, 2015. The first update corrected the payment rate for C9447. In addition, references to HCPCS codes J0365 and J7180 were removed from Section 4. The second update corrected table references.

April 2015 Integrated Outpatient Code Editor (I/OCE) Specifications Version 16.1 CR #9107 [Transmittal R3218CP]

CMS CR 9100 [Transmittal 3234: Transmittal 3225] April 1, 2015 rescinded and replaced by Transmittal 3234, dated April 15, 2015, to correct a numbering error in the business requirements, and to update the BR6100.12 filename. All other information remains the same. April 2015 Update of the Ambulatory Surgical Center (ASC) Payment System.

2nd Quarter (April 1 – June 30, 2015) OPPS APC Wrap Around Code List

2nd Quarter (April 1 – June 30, 2015) OPPS ASC Wrap Around Code List