

Important Outpatient Prospective Payment System (OPPS) APC – ASC

3rd Quarter (July) 2015 Update Information

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The Michigan Department of Health and Human Services (MDHHS) issues a timed release schedule of the annual/quarterly specific to software changes for Optum (our MDHHS software vendor). Optum and the OPPS Team members closely monitor the Centers for Medicare & Medicaid Services (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 June 23, 2015, initiating review of the 3<sup>rd</sup> 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. MDHHS 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 user 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. MDHHS 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. MDHHS' OPPS is a Michigan (Medicaid) specific software product, aligning as closely as possible with Medicare.

MDHHS' OPPS requires time for modification to be a MI Specific APC and ASC product. MDHHS will recycle any OPH/APC and any ASC claims impacted as a result of the first quarter 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 third quarter system modification is in progress and when completed, MDHHS will begin recycling any OPH/APC and any ASC claims impacted as a result of the third quarter updates.

There were additions and changes addressed during the 3<sup>rd</sup> quarter OPPS OPH/APC and ASC quarterly updates. Changes may be reflected as part of the Wrap Around Code Lists posted to the Provider Specific Information website at: [www.michigan.gov/medicaidproviders](http://www.michigan.gov/medicaidproviders) >> Billing and Reimbursement >> Provider Specific Information.

#### **NCCI and MUE**

MDHHS 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**

MDHHS continues to monitor activity.

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. MDHHS (Letter L 13-19, May 2013) cited this logic happens after the original processing of the claim. If any adjustments are required, MDHHS will respond timely with an OPPS reduction factor adjustment to maintain statewide budget neutrality.

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**3rd QUARTER SUMMARY OF CHANGES**

The exceptions are posted to the MDHHS OPPS APC and ASC Wrap Around Code Lists and available on the MDHHS provider specific website at: [www.michigan.gov/medicaidproviders](http://www.michigan.gov/medicaidproviders) >> Billing and Reimbursement >> Provider Specific Information.

**NEW PASS THROUGH STATUS OPPS OPH/APC and ASC:** C9453, C9454 and C9455

**NEW DEVICE OFF-SET PAYMENT OPPS OPH/APC and ASC:** C2613 (refer to CMS documents/must be billed with CPT 32405).

**Category III: OPPS OPH/APC and ASC Non Covered Wrap Around APC/ASC**

- 0392T
- 0393T

**NEW HCPCS and DRUGS, BIOLOGICALS, and BIOSIMILAR BIOLOGICAL PRODUCTS**

**OPPS OPH/APC: Non Covered**

- Q9977
- 0009M

**NEW OTHER CHANGES CERTAIN DRUGS, BIOLOGICALS, and RADIOPHARMACEUTICALS**

**OPPS OPH/APC and ASC: Non Covered**

- Q9978

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

**DATA COLLECTION REQUIREMENTS – Use of HCPCS Modifier PO (Provider Based Department) [PBD]: REMINDER**

CMS will use data collected to indicate the frequency and types of services provided in these locations. The CMS focus is on provider-based compliance.

- HCPCS 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.
- Report the modifier with every code/service(s) rendered in a Provider-based department (PBD).

**REVIEW 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).

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Reminder: 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 will have 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.

J1 procedures and codes include a column called "Rank Used for Primary Assignment." Reminder when multiple J1 procedures or services are rendered on the same claims, the procedure with the "highest rank" in that category is assigned the C-APC.

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

**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.

**OPPS OPH/APC and ASC REFERENCE DOCUMENTS 3rd QUARTER**

MDHHS Provider Specific website at: [www.michigan.gov/medicaidproviders](http://www.michigan.gov/medicaidproviders) >> Billing and Reimbursement >> Provider Specific Information.

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3<sup>rd</sup> Quarter (July 1 – September 30, 2015) OPPS APC Wrap Around Code List

3<sup>rd</sup> Quarter (July 1 – September 30, 2015) OPPS ASC Wrap Around Code List

CMS website for ASCs: [http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/ASCPayment/11\\_Addenda\\_Updates.html](http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/ASCPayment/11_Addenda_Updates.html)

CMS website for APCs at: <http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/HospitalOutpatientPPS/Addendum-A-and-Addendum-B-Updates.html>

CMS Transmittals at: <http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/2015-Transmittals.html>

CMS Transmittal 3280 July 2015 Update of the Hospital Outpatient Prospective Payment System (OPPS) Change Request 9205

CMS Transmittal 3264 July 2015 Integrated Outpatient Code Editor (I/OCE) Specifications Version 16.2, Change Request 9190

CMS Transmittal 3254 Quarterly Healthcare Common Procedure Coding System (HCPCS) Drug/Biological Code Changes – July 2015 Update

CMS Transmittal 3279 July 2015 Update of the Ambulatory Surgical Center (ASC) Payment System, Change Request 9207