The Michigan Department of Health and Human Services (MDHHS) issues a timed release schedule of the annual/quarterly specific software changes for Optum (MDHHS 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 September 30, 2015, initiating review of the 4th 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 programing is separate and distinct from CHAMPS user acceptance testing (UAT). This process remains unchanged.

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’s OPPS is a Michigan (Medicaid) specific software product, aligning as closely as possible with Medicare.

MDHHS’s 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 quarterly updates.

There were additions and changes addressed during the 4th 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 site at: www.michigan.gov/medicaidproviders.

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

The 2% Sequestration remains in effect through FY 2024 (pending any further congressional intervention). Potential impacts (hospital specific) resulting from the CY 15 OPPS changes will be monitored closely. The Centers for Medicare and Medicaid Services (CMS) CY January 2015 rules for payment policies/rates for services and updated rates did not incorporate the 2% sequestration cuts by Congress specific to reducing the federal deficit. 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.
4th 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 >> Billing and Reimbursement >> Provider Specific Information.

NEW SEPARATELY PAYABLE HCPCS CODE: OPPS APC/ASC: C9743

DRUGS AND BIOLOGICALS

PASS THROUGH STATUS: OPPS APC/ASC: C9456; C9457

REVISED CODING GUIDELINE OPPS APC/ASC: OPPS APC/ASC: Q9977; Retro effective DOS on/after 7/01/2015: Intraocular or Periocular Injections of Combinations of Anti-Inflammatory Drugs and Antibiotics: REMOVED FROM WRAP LIST OPPS APC

Compound drugs should be reported with HCPCS Q9977, and are packed as surgical supplies in the OPH and ASC. CMS notes injections are part of the ocular surgery and a HCPCS code must be reported for the surgery. The drugs are included as part of the ocular surgery and not eligible for separate payment. Drugs and drug combinations must not be reported with HCPCS C9399. Facilities or physicians cannot circumvent the packaged payment by asking beneficiaries to purchase and bring the drugs to the facility for administration.

DRUGS, BIOLOGICALS & RADIOPHARMACEUTICALS:

NEW PASS THROUGH STATUS: OPPS APC/ASC’s: C9456 & C9457

STATUS INDICATOR CHANGE: OPPS APC/ASC Q5101: Retro DOS on/after 7/01/2015

UPDATED SKIN SUBSTITUTE ASSIGNMENT TO HIGH COST STATUS: Q4151

C-APC REVIEW CY 2015: CMS implemented Comprehensive APCs (C-APCs) as an all-inclusive payment for certain procedures. CMS identified certain high-cost (i.e., device-related) OP procedures to serve as the primary service for C-APCs. These services received separate payment while other services reported on the same claim for OPPS, pass-through drugs and devices, and self-administered drugs were excluded from packaging with C-APCs.

CMS OPPS 1633-F OPPS (CY) 2016 Final Rule: will be available in the Federal Register 11/13/2015 and includes a significant change specific to the 2-Midnight Rule and a C-APC for Observation services. CMS did not propose radical changes to comprehensive APCs (C-APC) methodology.

Comprehensive Observation Services: service categorized as “non-surgical encounter with a high level OPH visit and 8 or more hours of observation."

- CMS proposes a new SI J2 to identify specific combinations of services. When the services are done together and reported on a single Part B claim, all other OPPS services and items will be adjuticate. This proposal creates a single payment for comprehensive services based on the costs of all reported services on the claim. There is a specific proposed criterion required to qualify for this assignment resulting in a proposed new C-APC deleting APC 8009 previously reported for extended assessment and management.
2-Midnight Rule: CMS proposed to slightly revise the 2-midnight rule. The proposal will “allow exceptions to the 2-midnight benchmark to be determined on a case-by-case basis by the physician responsible for the care of the beneficiary, subject to medical review.” CMS noted however, that it continues to expect that stays under 24 hours would rarely be eligible for an exception to the 2-midnight benchmark.

**OPPS OPH/APC and ASC REFERENCE DOCUMENTS 4th QUARTER**

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

4th Quarter (October 1 – December 31, 2015) OPPS APC Wrap Around Code List

4th Quarter (October 1 – December 3, 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](http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/HospitalOutpatientPPS/Addendum-A-and-Addendum-B-Updates.html)

CMS Transmittal 3361 9/25/2015 CR 9310: October 2015 Update of the Ambulatory Surgical Center (ASC) Payment System

Revised: CMS Transmittal 3352 9/15/2015 Change Request (CR) 9298: October 2015 Update of the Hospital Outpatient Prospective Payment System (OPPS) [Q5101 correcting SI to ‘K’].

Revised: CMS Medlearn Matters Number (MLN) MM9298 Revised 9/15/2015 Related Change Request (CR) 9298, Related CR Transmittal #: R3352CP [Q5101 correcting SI to ‘K’].


CMS MLN Transmittal SE 1523 2015 – 16 Flu Updates

Rescinded: CMS Transmittal 3333 8/21/2015 CR 9298: October 2015 Update of the Hospital Outpatient Prospective Payment System (OPPS).

Rescinded: CMS MLN MM 9298 Effective 10/01/2015, Related CR #R9298 released 8/21/2015, Related CR Transmittal #R3333CP, effective 10/01/2015: October Update of the Hospital Outpatient Prospective Payment System (OPPS)

Rescinded: CMS Transmittal 3328 8/14/2015 CR 9290: October 2015 Integrated Outpatient Code Editor (I/OCE) Specifications Version 16.3 (*Q5101 SI change from ‘E’ to ‘K’ is not addressed/included as SI change [on p. 11]).
Rescinded: CMS MLN MM 9290, CR 9290 Related CR 8/14/2015, Related Transmittal# R3328CP
Effective Date 10/01/2015: October 2015 Integrated Outpatient Code Editor (I/OCE) Specifications
Version 16.3