

Michigan Department of Health and Human Services

Outpatient Prospective Payment System (OPPS) 1st Quarter (January 1 – March 31, 2017) Update Information

The Michigan Department of Health and Human Services (MDHHS) Outpatient (OP) and Ambulatory Surgical Center (ASC) Prospective Payment system is based on the Centers for Medicare and Medicaid Services (CMS) Outpatient Prospective Payment System (OPPS) fee schedule documents. Optum, the MDHHS OPPS software vendor, after MDHHS review, releases annual and quarterly updates for the Michigan specific OPPS software. Updates and changes are integrated into the Community Health Automated Medicaid Processing System (CHAMPS) which is the MDHHS claim payment software and system.

For categories covered differently than Medicare or specific to Michigan Medicaid services, MDHHS publishes the MDHHS OPPS/APC Wraparound Code List on the MDHHS website: www.michigan.gov/medicaidproviders >> Billing and Reimbursement >> Provider Specific Information >> Outpatient Hospitals or Ambulatory Surgical Centers. The Wrap-Around Code lists are revised for CMS quarterly and annual updates.

Updates for 1st quarter 2017 will be implemented in late March. MDHHS will recycle any OPH/APC and any ASC claims impacted as a result of these updates in April.

1st Quarter 2017 OPPS/ASC MDHHS Highlights

Medicare National Correct Coding Initiative (NCCI)

MDHHS utilizes NCCI coding methodologies and NCCI Procedure-to-Procedure (PTP) code pair edits. In addition to PTP code pair edits, MDHHS also uses the Medically Unlikely Edits (MUEs). 2017 code pair errors on the Practitioner PTP edit file were de-activated for 1st quarter 2017. A revised file will be released into CHAMPS. Any changes as a result of revisions will be retroactive back to January 2017. For complete information on the Medicare NCCI refer to:

<https://www.cms.gov/Medicare/Coding/NationalCorrectCodInitEd/index.html> (In addition to quarterly changes, additions, deletions, and revisions to the NCCI, tables can be accessed under the Related Links section at the bottom of the page in the Medicare publications section).

MDHHS Wrap List Code Revisions

- J0887 – added to January 2016
- J0882, J0887, Q0139 – added to April 2016
- J0882, J0887, Q0139 – added to July 2016
- J0882, J0887, Q0139 – added to October 2016
- 90674 – retro start date of 08/01/2016 and will be covered since the start date. The code will be in the 'Covered' section of the Outpatient and ASC wrap lists for July 2016 and October 2016.

OPPS/APC MDHHS Reduction Factor (RF)

Hospitals and Ambulatory Surgical Centers were notified through the MDHHS File Transfer System on January 17, of the 2017 statewide budget-neutrality Reduction Factor. In November 2016, CMS finalized changes to the Calendar Year 2017 Medicare OPPS. In accordance with the CMS final rule and to maintain budget neutrality for the Medicaid program, the Medicaid OPPS and ASC reduction factor will be adjusted effective for dates of services on or after January 1, 2017. The reduction factor will be adjusted from its prior rate of 52.6% to a new rate of 51.7%. The current and historical reduction factor percentages can be found on the MDHHS Outpatient Hospital website at www.michigan.gov/medicaidproviders >> Billing and Reimbursement >> Provider Specific Information >> Outpatient Hospitals.

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L1 Modifier

Based on CMS policy the L1 modifier will be eliminated. Status indicator Q4 designates packaged APC payment when billed on the same claim as a HCPCS code assigned status indicator “J1”, “J2”, “S”, “T”, “V”, “Q”, “Q2”, or “Q3”. The “Q4” status indicator identifies a 13X bill type claim where there are only laboratory HCPCS codes that appear on the clinical laboratory fee schedule (CLFS). This automatically changes the status indicator to “A” and separately pays the CLFS payment rates.

Conditional Packaging Change to Apply at Claim Level

To promote consistency and ensure appropriate packaging under OPPS, CMS finalized a change to apply conditional packaging for status indicators “Q1” and “Q2” at the claim level. This replaces claim payment based on the date of service for other items and services on the claim and will be effective for Michigan Medicaid.

FX Modifier (X-ray Taken Using Film)

The new modifier “FX” is effective January 1, 2017, and must be used for x-ray claims using film. MDHHS will align with the CMS pricing methodology for modifier FX prior to applying the Michigan OPPS/ASC reduction factor. The change will be made in the 2nd quarter system updates and changes to payment will be retroactive to January 1, 2017, dates of service.

Allogenic Hematopoietic Stem Cell Transplantation (HSCT)

Effective January 1, 2017:

- New Comprehensive APC (C-APC) 5244, will be used for CPT code 38240 and status indicator “J1.”
- New Revenue Code 0815 for Allogeneic Stem Cell Acquisition Services. Revenue Code 0815 should be used for stem cell acquisition charges for allogeneic bone marrow/stem cell transplants. Revenue code 0819 is no longer required for the reporting donor acquisition charges for allogeneic HSCT.
 - A full description of the changes on these new billing guidelines can be found in the Medicare Claims Processing Manual, Chapter 4, Section 231.11 and Chapter 3, Section 90.3.1.

Services furnished at Off-Campus Hospital Outpatient Departments - “PO” and “PN” Modifiers

The “PO” modifier was implemented in 2016 and a new “PN” modifier will be in effect January 1, 2017.

The “PN” modifier on an institutional claim identifies nonexcepted items and services provided at an off-campus, outpatient, provider-based department of a hospital. MDHHS expects hospitals to follow the same protocol for PO and PN modifiers as established by CMS.

Ambulatory Surgical Centers (ASC)

New Drugs, Biologicals, and Radiopharmaceuticals: A9587, A9588, C9140, J0570, J7175, J7179, J9034

References and Resources

A full report on CMS OPPS/ASC 1st Quarter 2017 HCPCS changes can be found at the following web sites:

- OPPS
<https://www.cms.gov/Medicare/Coding/HCPCSReleaseCodeSets/HCPCS-Quarterly-Update.html>
<https://www.cms.gov/Medicare/Medicare-Fee-For-Service-Payment/HospitalOutpatientpps/Addendum-A-and-Addendum-B-Updates.html>

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- ASC

<https://www.cms.gov/Medicare/Coding/HCPCSReleaseCodeSets/HCPCS-Quarterly-Update.html>

<https://www.cms.gov/apps/ama/license.asp?file=/Medicare/Medicare-Fee-for-Service-Payment/ASCPayment/Downloads/2016-Oct-ASC-Addenda.zip>

- Michigan Specific:

www.michigan.gov/medicaidproviders >> Billing and Reimbursement >> Provider Specific Information >> Outpatient Hospitals

www.michigan.gov/medicaidproviders >> Billing and Reimbursement >> Provider Specific Information >> Ambulatory Surgical Centers

Bulletin [MSA 17-01](#): 2017 CPT and HCPCS Code Updates

For CMS updates on topics referenced above and a full list of 2017 CMS OPPS changes refer to:

www.cms.gov/Outreach-and-Education/Medicare-Learning-Network_MLN/MLNMattersArticles

- Number: MM9930 January 2017 Update of the Hospital Outpatient Prospective Payment System (OPPS)
- Number: MM9892 January 2017 Integrated Outpatient Code Editor (I/OCE) Specifications Version 18.0