



Department of Medicaid

John R. Kasich, Governor

John B. McCarthy, Director

Hospital Handbook Transmittal Letter (HHTL) No. 3352-16-01

December 31, 2015

**TO: All Hospital Providers
Directors, County Departments of Job and Family Services**

FROM: John B. McCarthy, Director

SUBJECT: Hospital updates effective January 1, 2016

Summary

This Hospital Handbook Transmittal Letter (HHTL) provides information regarding changes effective January 1, 2016.

Hospital Inpatient Services

Rule 5160-2-65 entitled Inpatient hospital reimbursement, sets forth the methodology for determining the relative weights and hospital average cost per discharge that is used to reimburse hospitals for inpatient services under prospective payment. In accordance with the provisions of this rule, the hospital specific DRG base rates that were in effect on December 31, 2015 remain unchanged.

Rule 5160-2-07.6 entitled Capital costs, sets forth the methodology for inpatient hospital capital reimbursement for those hospitals paid under prospective payment. Capital costs are reimbursed on a prospective basis at eighty-five percent of historical costs. A separate letter dated December 21, 2015 was sent to all hospitals operating within Ohio, with the hospital specific capital rates effective January 1, 2016.

Relative Weights

The relative weight tables may be accessed through the main ODM web page (Providers > Fee Schedule and Rates). The current weights are those that were in effect for discharges on or after July 1, 2013. There are no changes for January 1, 2016.

Hospital Outpatient Services

Rule 5160-2-02 entitled General provisions: hospital services provides information about the general provisions for covering hospital services.

Budget Change:

The definition of inpatient services has been amended to include all outpatient services rendered to a patient within three calendar days prior to the date of an inpatient admission in hospitals described in OAC rule 5160-2-01. This change is effective for inpatient admissions that begin on or after January 1, 2016 and only applies to outpatient services provided by the same (admitting) hospital.

Rule 5160-2-21 entitled Reimbursement for services provided in an outpatient hospital setting, describes the outpatient payment rates and policies for hospitals that are subject to DRG prospective payment.

As a result of the 2016 HCPCS update, a fee schedule has been created to reflect coverage of new CPT codes and deletion of obsolete CPT codes.

Budget Changes:

- With the exception of children's hospitals, the five percent rate increase for outpatient hospital services, as authorized in Am. Sub. H.B. 1 of the 128th General Assembly, will expire on December 31, 2015.
- The requirements for billing pharmaceuticals in the outpatient hospital setting have been updated. When a valid HCPCS J-code or Q-code exists for a pharmaceutical, that HCPCS J-code or Q-code should be billed on the same detail line as revenue center code (RCC) 025X and/or 636.
- Please refer to the General Provisions and Outpatient Hospital Services HHTL 3352-15-11 for further information regarding the budget changes. This fee schedule also contains a list of provider-administered pharmaceutical Q-codes that may receive additional payment when billed with RCC 025X and/or 636.

Other Updates

Rule 5160-1-05.3 entitled Payment for "Medicare Part B" cost sharing, sets forth the methodology for Medicare Part B crossover claims.

Payment methodology for Medicare Part B crossover claims was amended to not pay more than the Medicaid primary payer amount for Medicare Part B crossover claims. In accordance to this amended rule, individual providers will now be subject to the new methodology. As a result of this methodology change, hospital owned provider practices and their parent entity may experience reduced reimbursement. Ambulatory Surgery Centers (ASC) and End Stage Renal Disease (ESRD) provider types will continue to be exempt from the Medicare Part B crossover claims payment methodology. Please refer to Ohio Administrative Code 5160-1-05.3 for further information.

Medicare Coinsurance and Deductible

The coinsurance and deductible amounts for Medicare's hospital insurance program (Part A) have been updated effective January 1, 2016. The Medicare Part A inpatient hospital deductible amount is \$1,288.00. The daily coinsurance amounts are updated as follows: (a) \$322.00 coinsurance for the 61st through 90th day of hospitalization in a benefit period; (b) \$644.00 for lifetime reserve days; and (c) \$161.00 for the 21st through 100th day of extended care services in a skilled nursing facility in a benefit period. The Medicare Part B deductible amount is \$166.00.

National Correct Coding Initiative (NCCI)

Effective January 1, 2016, the Department will implement the edit and coding methodologies of the National Correct Coding Initiative (NCCI) for outpatient claims processed on or after January 1, 2016. More information about NCCI can be accessed through the main ODM webpage (Resources > Publications > ODM Guidance – Medicaid Policy – HHTL 3352-15-09).

Billing Details on Outpatient Claims

Effective January 1, 2016 the Department is requiring that details on outpatient claims be billed in date of service order with revenue center codes (RCC) billed in ascending order within each date of service on the claim. For example:

1/1/2016-RCC 250
1/1/2016-RCC 300
1/1/2016-RCC 324
1/5/2016-RCC 250
1/5/2016-RCC 300

This requirement applies to every individual outpatient hospital claim (bill types 131 and 135 on the UB-04 and 837i) that is billed to ODM regardless of mode of submission (portal, EDI, paper). An edit will be implemented in the MITs system to deny any outpatient hospital claim whose details are not billed in service date order and whose RCC are not in ascending order within each date of service.

Access to Rules and Related Material

Information about the services and programs of the Ohio Department of Medicaid (ODM) may be accessed through the main ODM webpage: <http://www.medicaid.ohio.gov> .

- Stakeholders who want to receive notification when ODM original or final files a rule package may visit JCARR's RuleWatch at www.rulewatchohio.gov where an account can be created to be notified of rule actions by rule number or department.
- Stakeholders can subscribe to receive notification when a clearance or BIA is posted for public comment on the Ohio Business Gateway here: <http://business.ohio.gov/reform/enotify/subscription.aspx>

Information about hospital payment policies is available on the 'Fee Schedule and Rates' web page, which may be accessed through the main ODM web page (Providers > Fee Schedule and Rates).

Additional Information

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Questions pertaining to this letter should be addressed to:

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or

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