



Hospital Handbook Transmittal Letter (HHTL) 3352-21-01

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

FROM: Maureen M Corcoran, Director

SUBJECT: Hospital Updates Effective January 1, 2021

Summary

This Hospital Handbook Transmittal Letter (HHTL) provides information regarding changes that, based on existing rules or policies, generally take effect at the beginning of each calendar year.

Annual ICD-10 Updates

The Department has implemented the new 2020 International Classification of Diseases, Tenth Revision (ICD-10) diagnosis and procedure codes for inpatient hospital reimbursement effective October 1, 2020. Obsolete diagnosis and procedure codes have been deleted. Providers are required to use diagnosis and procedure codes that were in effect on the date of discharge. The list of inpatient procedures that require prior authorization has been updated.

Inpatient hospital claims with dates of discharge on or after October 1, 2020 will be processed under the All Patient Refined Diagnosis Related Groups (APR-DRG) version 38. The relative weight tables may be accessed through the Department's website: <http://www.medicaid.ohio.gov/> > Providers > Fee Schedules and Rates > "I Agree" > Inpatient Hospital Services.

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. Hospital-specific standard base rates are provided in the rate letters dated December 18, 2020.

Rule 5160-2-66 entitled "Capital costs," sets forth the methodology for inpatient hospital capital reimbursement for those hospitals paid under the prospective payment methodology. Capital costs are reimbursed on a prospective basis at eighty-five percent of historical costs. A separate letter dated December 18, 2020 was sent to all hospitals operating within Ohio, with their hospital specific capital rates effective January 1, 2021.

Rule 5160-2-14 entitled "Potentially preventable readmissions," sets forth the Potentially Preventable Readmissions (PPR) provisions for hospital providers paid under the all patient refined diagnosis related groups (APR-DRG) prospective payment methodology. Hospitals that were incorrectly assessed a PPR

penalty in both calendar years (CY) 2017 and CY 2018 under the PPR logic at the time but would not have been penalized under the revised PPR logic, have been paid back for these incorrectly applied penalties. Effective January 1, 2021, those affected hospitals will see their inpatient base rates return to their base rates which were effective July 6, 2017. The Department is continuing to suspend the PPR penalty until further notice.

Hospital Outpatient Services

Rule 5160-2-75 entitled “Outpatient hospital reimbursement,” sets forth the Medicaid hospital reimbursement methodology for hospitals subject to the Enhanced Ambulatory Patient Grouping (EAPG) prospective payment. Hospital-specific outpatient base rates are provided in the rate letters dated December 18, 2020.

Outpatient Hospital Code Sets.

The Common Procedure Terminology (CPT) and the Healthcare Common Procedure Coding System (HCPCS) code sets are updated each January. The January 2021 code changes have been reviewed. Deleted codes have been end dated and new codes that will be covered in the outpatient hospital setting have been added to the EAPG covered code list. Seven lab codes are being added to the covered code list for Outpatient Hospital services effective January 1, 2021. These codes are being added in order to stay consistent with Medicaid coverage changes also being made for independent labs. The updated relative weights and EAPG covered codes are to be published on the Department’s website: <http://www.medicaid.ohio.gov/> > Providers > Fee Schedules and Rates > “I Agree” > Outpatient Hospital Services.

Outpatient Claims Submission and Payment Information

As standard practice and due to the January 1 CPT and HCPCS, code updates, providers cannot submit outpatient claims that span across December 31 and January 1.

Outpatient Hospital Behavioral Health Services

Effective January 1, 2021, the Department will begin making facility payments when pharmacists provide select E&M services to new and established patients under Outpatient Hospital Behavioral Health (OPHBH) services. Modifier UB can be appended to the E&M code (in addition to the required HE modifier) on OPHBH claims to indicate a pharmacist provided the service, and the billing facility will be paid a flat rate as indicated in Column L of the OPHBH code and fee schedule. These changes are reflected on the OPHBH code and fee schedule, which may be accessed through the Department’s website: <http://www.medicaid.ohio.gov/> > Providers > Fee Schedules and Rates > “I Agree” > Outpatient Hospital Behavioral Health Services.

Prior Authorization, Pre-Certification and Utilization Reviews

The list of inpatient and outpatient services that require prior authorization is available on the Department’s website: <http://medicaid.ohio.gov/PROVIDERS/PriorAuthorizationRequirements.aspx>. In addition, OAC rule 5160-2-03 describes the types of inpatient and outpatient services that would require prior authorization.

Pre-certification requirements on ICD-10 surgical procedures will remain suspended for calendar year 2021. The Department currently has no plans to re-instate the medical/surgical pre-certification program. However, all psychiatric admissions will still require pre-certification.

Other Updates

National Drug Codes

Outpatient claims containing details for covered outpatient drugs must be billed in accordance with National Drug Code (NDC) guidelines.

Medicare Coinsurance and Deductible

The coinsurance and deductible amounts for Medicare's hospital insurance program (Part A) have been updated effective January 1, 2021. The Medicare Part A inpatient hospital deductible amount is \$1,484.00. The daily coinsurance amounts are updated as follows: (a) \$371.00 coinsurance for the 61st through 90th day of hospitalization in a benefit period; (b) \$742.00 for lifetime reserve days; and (c) \$185.50 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 \$203.00.

Access to Rules and Related Material

Information about the services and programs of the Department may be accessed through the Department's main webpage: <http://www.medicaid.ohio.gov>.

- Stakeholders who want to receive notification when the Department 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 may be accessed through the Department main web page (<http://medicaid.ohio.gov> > Providers > Fee Schedule and Rates > Click "I Agree").

Additional Information

Questions pertaining to this letter should be addressed to:

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or

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