Ohio | Department of Medicaid

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Hospital Handbook Transmittal Letter (HHTL) 3352-22-01

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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, 2022**

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 2022 ICD-10 diagnosis and procedure codes for inpatient hospital reimbursement which were effective October 1, 2021. 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. While several new inpatient procedure codes will require prior authorization, the department did not identify any procedure or diagnosis codes that will not be covered. The list of inpatient procedures that require prior authorization has been updated.

Inpatient hospital claims with dates of discharge on or after October 1, 2021, will be processed under the All Patient Refined Diagnosis Related Groups (APR-DRG) prospective payment methodology version 39. There were no DRG or relative weight changes due to the change in grouper version. The relative weight tables may be accessed through the department's website: http://www.medicaid.ohio.gov/ > Resources for Providers > Billing > Fee Schedules and Rates > "I Agree" > Inpatient Hospital Services.

Hospital Inpatient Services

Rule 5160-2-65 establishes the methodology for calculating DRG relative weights and hospital-specific base rates. For January 1, 2022, there are no changes to either the relative weights or the hospital-specific base rates.

In accordance with department policy, the hospital specific DRG base rates that are in effect were provided in the rate letters dated December 17, 2021.

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 85% of historical costs. A separate letter

dated December 17, 2021, was sent to all hospitals operating within Ohio, with their hospital specific capital rates effective January 1, 2022.

Rule 5160-2-14 entitled "Potentially preventable readmissions" sets forth the potentially preventable readmissions (PPR) provisions for hospital providers paid under the APR-DRG prospective payment methodology. The department is continuing to suspend the PPR penalty until further notice but will continue to publish PPR reports.

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 17, 2021.

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 2022 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, 2022. 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/ > Resources for Providers > Billing > 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, 2021, and January 1, 2022.

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 at http://www.medicaid.ohio.gov/ > Resources for Providers > Billing > Fee Schedule and Rates Schedules and Rates > "I Agree" > Inpatient Hospital Services > Inpatient Services that Require Prior Authorization. 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 2022. The department currently has no plans to re-instate the medical/surgical pre-certification program. However, all psychiatric admissions will still require pre-certification.

Cost Coverage Add-On

Rule 5160-2-60 entitled "Cost coverage add-on" sets forth the methodology with which the department will provide hospitals an additional reimbursement methodology in the form of a cost coverage add-on payment. The case-mix adjusted cost coverage add-on will be added to a hospital's inpatient and outpatient base rates for each inpatient discharge or outpatient service for those hospitals paid under APR-DRG and EAPG. For those hospitals excluded from the

prospective payment systems, the cost coverage add-on will be a percentage increase to their prospective inpatient and outpatient cost-to-charge ratios for discharges or services. Please see Hospital Transmittal Letter (HHTL) 3352-21-04 published on 7/2/2021 for more information.

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, 2022. The Medicare Part A inpatient hospital deductible amount is $1,556.00. The daily coinsurance amounts are updated as follows: (a) $389.00 coinsurance for the 61st through 90th day of hospitalization in a benefit period; (b) $778.00 for lifetime reserve days; and (c) $194.50 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 $233.00.

Access to Rules and Related Material

Stakeholders who want to receive a notification when ODM files original or a final rules package may visit JCARR's RuleWatch at www.rulewatchohio.gov An account must be created to be notified of rule actions, whether by rule number or state department.

Stakeholders can subscribe to receive notifications when a clearance or business impact analysis (BIA) is posted for public comment on the Ohio Business Gateway here: https://governor.ohio.gov/wps/portal/gov/governor/priorities/common-sense-initiative/enotifications.

The main web page of ODM includes links to valuable information about its services and programs. The address is http://medicaid.ohio.gov/.

Additional Information

Questions pertaining to this letter should be addressed to:

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or

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