

Public Notice Regarding Prospective Outpatient Hospital Services Reimbursement Methodology

July 27, 2018

Pursuant to Sections 1902(a) 13(A) of the Social Security Act, 42 Code of Federal Regulations (CFR) 447.205, and Section 11.730 of House Bill No. 2011, 99th General Assembly, Second Regular Session, which mandate that proposed changes in statewide Medicaid payment methods and standards affecting hospital services be published and made available for review, comment, and public hearing, this is to advise that:

1. The Missouri Department of Social Services provides notice of the following:

13 CSR 70-15.160 Prospective Hospital Services Reimbursement Methodology is amended in conjunction with the State Plan Amendment Attachment 4.19-B, effective for dates of service beginning November 30, 2018, the MO HealthNet Division (MHD) will change the methodology in which certain Outpatient Surgical Procedures, Outpatient Radiology, and the Telehealth Originating Site Fees are reimbursed. The change in methodology only applies to hospitals performing these services in an outpatient setting. The MHD estimates a total savings of \$66.5 million in expenditures as a result of this change. There will also be a change in outpatient drug reimbursement methodology effective December 16, 2018, which will apply to all providers dispensing medications.

- A. The MHD will reimburse certain outpatient surgical procedure codes at the outpatient Medicaid fee schedule amount.
 - a. The MHD will add specific procedure codes to the fee schedule. The list of procedure codes are attached to this public notice.
- B. The MHD will reduce reimbursement rates for outpatient radiology services from 125% of the Medicare rate to 90% of the most current Medicare allowed radiology reimbursement rate.
- C. The MHD will reimburse the telehealth originating site fee at the lesser of the billed amount or the outpatient fee schedule amount.
 - a. The MHD will reimburse the telehealth originating site fee at the fee schedule amount of \$15.60 for procedure code Q3014.
- D. The outpatient drug reimbursement will be determined by applying the following hierarchy methodology:
 - a. National Average Drug Acquisition Cost (NADAC); if no NADAC,
 - b. Missouri Maximum Allowed Cost (MAC) price; if no NADAC or MAC,

Interpretive services are available by calling the Participant Services Unit at 1-800-392-2161.
Prevodilačke usluge su dostupne pozivom odjela koji učestvuje u ovom servisu na broj 1-800-392-2161.
Servicios Intreprative están disponibles llamando a la unidad de servicios de los participantes al 1-800-392-2161.

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- c. Wholesale Acquisition Cost (WAC); OR
 - d. The usual and customary (U&C) charge submitted by the provider; if it is lower than the chosen price (NADAC, MAC, or WAC).
 - e. Outpatient drug reimbursement for 340B providers will be reimbursed at WAC minus 49%.
2. The hospitals should utilize the appropriate Cost Report Version.
 - a. The Medicare/Medicaid Cost Report version CMS 2552-10 shall be used for fiscal years beginning on and after May 1, 2010.
3. The MHD is providing clarification of the outpatient rate calculation.
 - a. As part of the regression analysis, a facility's outpatient payment percentage is limited to a downward adjustment of 15% from the previous year with no limit on the upward swing, unless the facility chose the lower upward and downward swing option of 6%.
 - b. Once a facility has chosen an option, it shall be fixed and applied beginning with the year it is selected. If a facility has not chosen an option, the default is the downward adjustment of 15% from the previous year with no limit on the upward swing.
4. The MHD is providing notification for the hospital mergers.
 - a. Hospitals that merge their operations under one Medicare and MO HealthNet provider number shall have their outpatient percentage rate calculated under the active hospital's MO HealthNet provider number.
 - b. The outpatient percentage rate of the active entity for the remainder of the state fiscal year in which the merger occurred is determined from combining the cost report data for the applicable cost report periods for the merged facilities. The effective date of the merged rate is the date of the merger.
 - c. The active entity's outpatient percentage rate will be calculated for subsequent state fiscal years using the combined cost report data from the appropriate cost report periods for the merged facilities.
5. Comments may be sent by regular mail, express or overnight mail, in person or by courier within thirty days after publication of this notice and must be sent or delivered to the following address:

MO HealthNet Division
615 Howerton Ct., 2nd Floor
Jefferson City, MO 65109
Attention: Sara Davenport

Comments may also be emailed to Ask.MHD@dss.mo.gov. Please use "Public Comment for Prospective Outpatient Hospital Services" in the subject line. Comments must be received by August 26, 2018.

6. A copy of the proposed Prospective Outpatient Hospital Services is available for public review by going to any Family Support Division Office or by contacting the Department of Social Services, MHD at Ask.MHD@dss.mo.gov. These documents also may be viewed online at <https://dss.mo.gov/mhd/>.
<https://dss.mo.gov/mhd/providers/pages/bulletins.htm>.

7. A Public Hearing will be held in person and via WebEx

Friday, August 3, 2018
 1:00 PM to 3:00 PM
 MO HealthNet Division
 615 Howerton Court
 Second Floor Conference Room 202
 Jefferson City, MO

To attend the public hearing via WebEx, Register [Here](#)

Please Note: If you are joining via WebEx, please sign on at 12:45 PM (15 minutes prior to the start time). If you are receiving a busy signal, please hang-up and wait a few minutes to reconnect.

8. The Outpatient Surgical procedure codes impacted by this change are shown below:

MO HealthNet Division Fee Schedule for Outpatient Surgical Procedures			
Implementation Date	Surgery/Service Description	Procedure Code	MHD Reimbursement
11/30/2018	Biopsy, vertebral body, open; lumbar or cervical	20251	\$5,606.03
11/30/2018	Percutaneous vertebral augmentation, including cavity creation (fracture reduction and bone biopsy included when performed) using mechanical device (e.g., kyphoplasty), 1 vertebral body, unilateral or bilateral cannulation, inclusive of all imaging guidance; lumbar	22514	\$5,606.03
11/30/2018	Arthrodesis, anterior interbody, including disc space preparation, discectomy, osteophyctomy and decompression of spinal cord and/or nerve roots; cervical below C2	22551	\$10,122.22
11/30/2018	Arthrodesis, anterior interbody technique, including minimal discectomy to prepare interspace (other than for decompression); lumbar	22558	\$15,369.94
11/30/2018	Arthrodesis, posterior or posterolateral technique, single level; lumbar (with lateral transverse technique, when performed)	22612	\$10,122.22
11/30/2018	Arthrodesis, posterior interbody technique, including laminectomy and/or discectomy to prepare interspace (other than for decompression), single interspace; lumbar	22630	\$15,369.94
11/30/2018	Arthrodesis, combined posterior or posterolateral technique with posterior interbody technique including laminectomy and/or discectomy sufficient to prepare interspace (other than for decompression), single interspace and segment; lumbar	22633	\$15,369.94
11/30/2018	Reinsertion of spinal fixation device	22849	\$15,369.94

11/30/2018	Total disc arthroplasty (artificial disc), anterior approach, including discectomy with end plate preparation (includes osteophyctomy for nerve root or spinal cord decompression and microdissection); single interspace, cervical	22856	\$15,369.94
11/30/2018	Total disc arthroplasty (artificial disc), anterior approach, including discectomy to prepare interspace (other than for decompression), single interspace, lumbar	22857	\$15,369.94
11/30/2018	Prophylactic treatment (nailing, pinning, plating or wiring) with or without methylmethacrylate; clavicle, proximal humerus	23491	\$10,122.22
11/30/2018	Arthroplasty, acetabular and proximal femoral prosthetic replacement (total hip arthroplasty), with or without autograft or allograft	27130	\$10,122.22
11/30/2018	Arthroplasty, knee, condyle and plateau; medial and lateral compartments with or without patella resurfacing (total knee arthroplasty)	27447	\$10,122.22
11/30/2018	Capsulotomy; metatarsophalangeal joint, with or without tenorrhaphy, each joint (separate procedure)	28270	\$5,606.03
11/30/2018	Arthroscopy, shoulder, surgical debridement, extensive	29823	\$5,606.03
11/30/2018	Arthroscopy, shoulder, surgical; distal claviclectomy including distal articular surface (Mumford procedure)	29824	\$5,606.03
11/30/2018	Arthroscopy rotator cuff repair	29827	\$5,606.03
11/30/2018	Arthroscopy, knee, surgical debridement/shaving of articular cartilage (chondroplasty)	29877	\$5,606.03
11/30/2018	Arthroscopy, knee, surgical abrasion arthroplasty (includes chondroplasty where necessary) or multiple drilling or microfracture	29879	\$5,606.03
11/30/2018	Arthroscopy, hip, surgical; with femoroplasty (i.e., treatment of cam lesion)	29914	\$5,606.03
11/30/2018	Arthroscopy, hip, surgical; with acetabuloplasty (i.e. treatment of pincer lesion)	29915	\$5,606.03
11/30/2018	Laparoscopy, surgical, repair of paraesophageal hernia, includes fundoplasty, when performed: without implantation of mesh	43281	\$7,594.89
11/30/2018	Laparoscopy, surgical, gastric restrictive procedure; with gastric bypass and Roux-en-Y gastroenterostomy (roux limb 150 cm or less)	43644	\$13,500.00
11/30/2018	Laparoscopy, surgical, gastric restrictive procedure; with gastric bypass and small intestine reconstruction to limit absorption	43645	\$13,500.00
11/30/2018	Laparoscopy, surgical, gastric restrictive procedure; placement of adjustable restrictive device (e.g., gastric band gastric band and subcutaneous port components)	43770	\$13,500.00

11/30/2018	Laparoscopy, surgical, gastric restrictive procedure; revision of adjustable gastric restrictive device component only	43771	\$7,000.00
11/30/2018	Laparoscopy, surgical, gastric restrictive procedure; removal of adjustable gastric restrictive device component only	43772	\$7,000.00
11/30/2018	Laparoscopy, surgical, gastric restrictive procedure; removal and replacement of adjustable gastric restrictive device component only	43773	\$13,500.00
11/30/2018	Laparoscopy, surgical, gastric restrictive procedure; removal of adjustable gastric restrictive device and subcutaneous port components	43774	\$7,000.00
11/30/2018	Laparoscopy, surgical, gastric restrictive procedure; longitudinal gastrectomy (i.e., sleeve gastrectomy)	43775	\$13,500.00
11/30/2018	Gastric restrictive procedure with partial gastrectomy, pylorus-preserving duodenoileostomy and ileoileostomy (50 to 100 cm common channel) to limit absorption (biliopancreatic diversion with duodenal switch)	43845	\$13,500.00
11/30/2018	Gastric restrictive procedure, with gastric bypass for morbid obesity; with short limb (150 cm or less) Roux-en-Y gastroenterostomy	43846	\$13,500.00
11/30/2018	Gastric restrictive procedure, with gastric bypass for morbid obesity; with small intestine reconstruction to limit absorption	43847	\$14,000.00
11/30/2018	Revision, open, of gastric restrictive procedure for morbid obesity, other than adjustable gastric restrictive device (separate procedure)	43848	\$14,000.00
11/30/2018	Laparoscopy, surgical; cholecystectomy	47562	\$4,488.37
11/30/2018	Laparoscopy, surgical; repair, ventral, umbilical, Spigelian or epigastric hernia (includes mesh insertion, when preformed); reducible incarcerated or strangulated	49653	\$4,488.37
11/30/2018	Laparoscopy, surgical, repair incisional hernia (includes mesh insertion, when performed); reducible	49654	\$7,600.00
11/30/2018	Endoscopic decompression of spinal cord, nerve root(s), including laminotomy, partial facetectomy, foraminotomy, discectomy and/or excision of herniated intervertebral disc, 1 interspace, lumbar	62380	\$5,606.03
11/30/2018	Laminectomy with exploration and/or decompression of spinal cord and/or cauda equine, without facetectomy, foraminotomy or discectomy (e.g. spinal stenosis), 1 or 2 vertebral segments; cervical	63001	\$5,606.03
11/30/2018	Laminectomy with exploration and/or decompression of spinal cord and/or cauda equine, without facetectomy, foraminotomy or discectomy (e.g. spinal stenosis), more than 2 vertebral segments; cervical	63015	\$5,606.03

11/30/2018	Laminectomy (hemilaminectomy) with decompression of nerve root(s), including partial facetectomy, foraminotomy and/or excision of herniated intervertebral disc; 1 interspace, cervical	63020	\$5,606.03
11/30/2018	Laminectomy (hemilaminectomy) with decompression of nerve root(s), including partial facetectomy, foraminotomy and/or excision of herniated intervertebral disc; 1 interspace, lumbar	63030	\$5,606.03
11/30/2018	Laminectomy (hemilaminectomy) with decompression of nerve root(s), including partial facetectomy, foraminotomy and/or excision of herniated intervertebral disc, reexploration, single interspace; lumbar	63042	\$5,606.03
11/30/2018	Laminectomy, facetectomy and foraminotomy (unilateral or bilateral with decompression of spinal cord, cauda equine and/or nerve root[s], [e.g., spinal or lateral recess stenosis]) including partial and/or excision of herniated intervertebral disc; 1 interspace, cervical	63045	\$5,606.03
11/30/2018	Laminectomy, facetectomy and foraminotomy (unilateral or bilateral with decompression of spinal cord, cauda equine and/or nerve root[s], [e.g., spinal or lateral recess stenosis]) including partial and/or excision of herniated intervertebral disc; 1 interspace, thoracic	63046	\$5,606.03
11/30/2018	Laminectomy, facetectomy and foraminotomy (unilateral or bilateral with decompression of spinal cord, cauda equine and/or nerve root[s], [e.g., spinal or lateral recess stenosis]) including partial and/or excision of herniated intervertebral disc; 1 interspace, lumbar	63047	\$5,606.03
11/30/2018	Discectomy, anterior, with decompression of spinal cord and/or nerve root(s), including osteophytectomy; cervical, single interspace	63075	\$5,606.03
11/30/2018	Insertion or replacement of spinal neurostimulator pulse generator or receiver, direct or inductive coupling	63685	\$27,899.86
11/30/2018	Repair or dural/cerebrospinal fluid leak, not requiring laminectomy	63707	\$2,879.18
11/30/2018	Dural graft, spinal	63710	\$2,879.18

6. The Public Hearing Agenda is shown below:



Outpatient Hospital Services Reimbursement Methodology Public Hearing

Agenda August 3, 2018

615 Howerton Court
Second Floor Conference Room 202
Jefferson City, MO

1:00 PM – 1:20 PM	Introduction <ul style="list-style-type: none">• Changes in Reimbursement Methodology for Outpatient Hospitals• Changes in Reimbursement Methodology for Radiology• Changes in Reimbursement Methodology for Telehealth Originating Site Fee	Nanci Nikodym
1:20 PM – 1:30 PM	Introduction <ul style="list-style-type: none">• Changes in Outpatient Pharmacy Reimbursement Methodology	Angela Wilson
1:30 PM - 2:00 PM	Introduction <ul style="list-style-type: none">• Impact on Federal Reimbursement Allowance Provider Tax<ul style="list-style-type: none">• Outpatient Hospitals• Outpatient Radiology• Telehealth Originating Site Fee• Outpatient Pharmacy	Christina Jenks
2:00 PM - 3:00 PM	Public Comments	