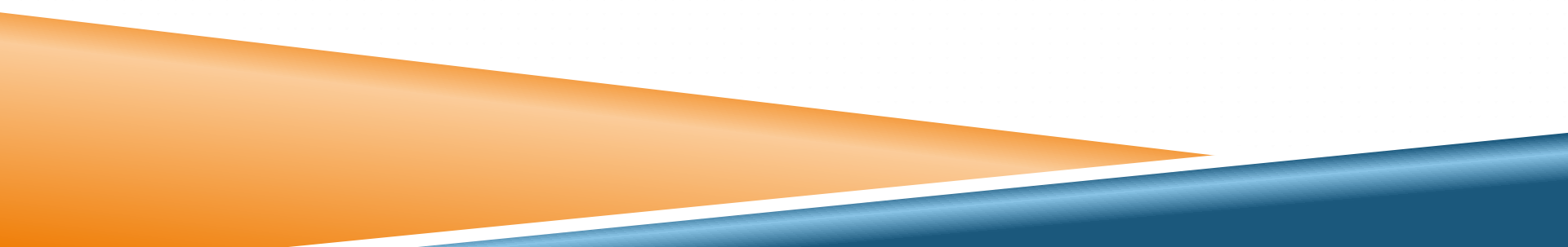


MO HealthNet Outpatient Simplified Fee Schedule

Provider Training

June 3 - June 24, 2021

Agenda

- Outpatient hospital payment methodology
 - Goals of the new payment method
 - How states pay for outpatient hospital services
 - Outpatient Simplified Fee Schedule
 - Billing tips
 - Resources
 - Contacts
- 

Outpatient Hospital Payment Methodology

Current method

- Reimbursement methodology for most services based on a hospital-specific percent of charges
- Laboratory, radiology and some surgeries paid based on a fee schedule

New method

- Simplified fee schedule approach
- Leverage Medicare Outpatient Prospective Payment System (OPPS)/Ambulatory Payment Classification (APC) fee schedules
- All services paid on a fee schedule
- Applies to all hospitals

Goals of the New Payment Method

Fairness

- Increase fairness
 - Similar pay for similar care

Rational

- Implement a sustainable method and modernize
 - Align with prevailing methods used by many Medicaid programs and other payers
 - Flexibility to accommodate changes in state and federal policies
 - Position for future enhancements

Goals of the New Payment Method

Transparency

- Increase transparency
 - Familiarity with fee schedule concept

Simplicity

- Ensure simplicity in the design
 - Minimize system changes
 - Limit the use of complex pricing logic

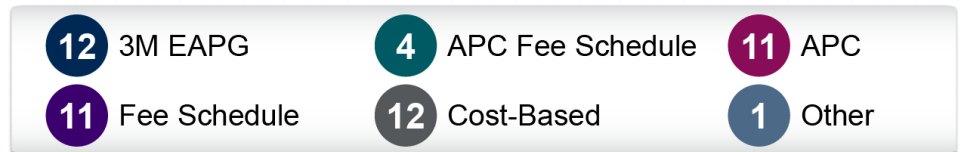
Goals of the New Payment Method

Purchasing Clarity

- Improve purchasing clarity
 - Fee schedule allows understanding of what is being purchased
 - Payment will be based on procedure codes for appropriate and covered services

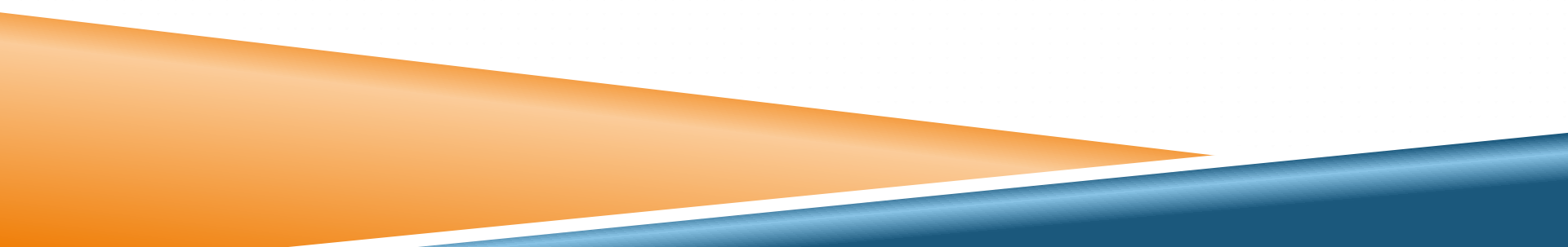
Reward Efficiency

- If a hospital improves efficiency, it will benefit from savings

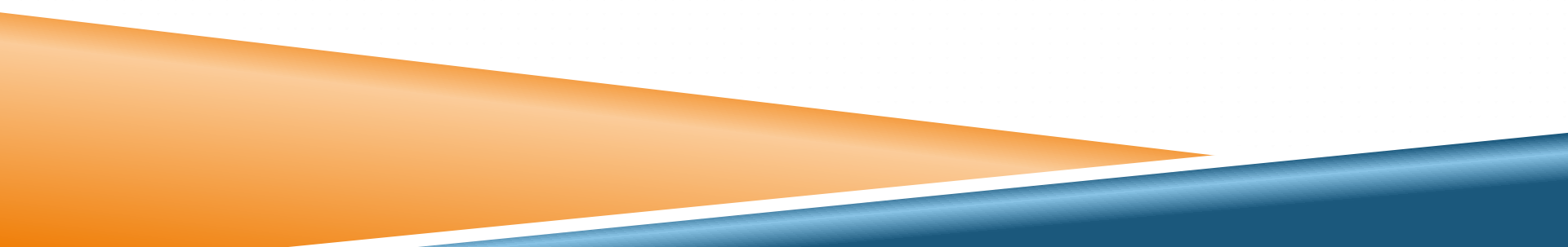


Outpatient Simplified Fee Schedule

Basic Approach

- Fee schedule is driven by CPT/HCPCS code
 - Based on Medicare OPPS APC pricing and fee schedules
 - Fee is 90% of Medicare rate
 - Fees with relative weights use the St. Louis conversion factor (78.589)
 - In-State federally-deemed critical access hospitals (CAHs) get a 40% boost
 - In-State nominal charge providers get a 25% boost
 - Payment will equal the fee times the billed units, up to the maximum units allowed
 - Payment will be the lower of the provider's charge or the calculated fee
- 

Outpatient Simplified Fee Schedule APC-Based Method

- The OSFS method is similar but not identical to the Medicare APC-based method
 - Procedures that Medicare considers as always packaged (status indicator N) will be paid at zero
 - Procedures that Medicare considers inpatient only (status indicator C) will be denied
 - MHD will not use the Medicare integrated outpatient code editor (I/OCE)
 - Discounting logic will not be applied under the new method
 - Conditional packaging will not be used under the new method
 - Composite APC and Comprehensive APC logic will not be used under the new method
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Outpatient Simplified Fee Schedule

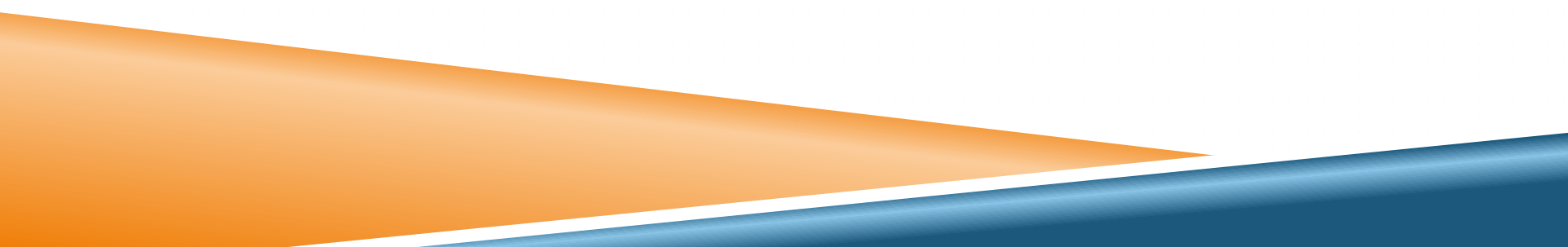
Hierarchy of Payment

1. Medicare Addendum B relative weight or payment rate
2. Other Medicare Fee Schedules (CLAB, Physician Fee Schedule)
3. Fees for dental procedure codes (NDAS)
4. MO HealthNet Fee schedules

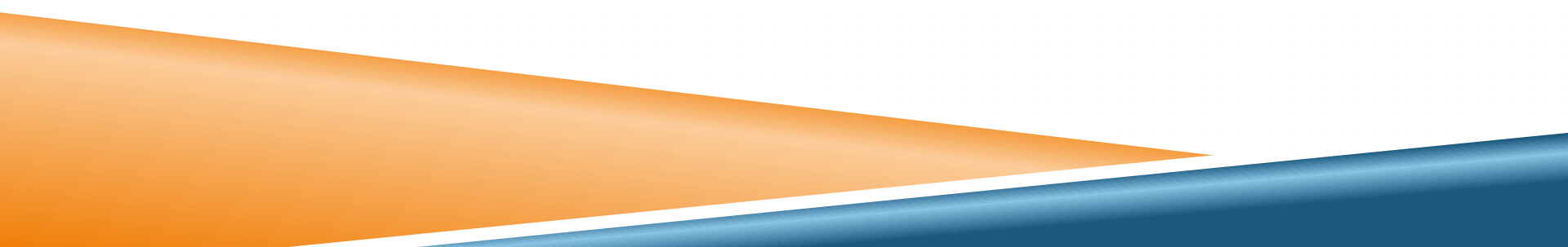
NDAS: National Dental Advisory Service



Billing Tips

- All services will require a CPT\HCPCS code – do not leave the procedure code blank for ED and clinic visits
 - Continue to submit NDCs for drug codes – these lines will be pulled off the claim and submitted as a pharmacy claim
 - For clinic visits (e.g., 99202-99205 and 99211-99215), hospitals should bill G0463 hospital outpatient clinic visit
 - For emergency room visits (e.g., 99281-99285), hospitals are expected to follow the same guidelines as they do for Medicare
 - MO HealthNet will accept certain Current Dental Terminology© (CDT) codes (also known as D-codes) for dental services on the hospital claim form (these are identified on the fee schedule)
 - Ambulance and DME services should be billed on a HCFA 1500
- 

Billing Tips

- Bill all services provided on the same day to the same patient on the same claim
 - Multiple dates of service can be billed on one claim listing each specific date of service at the line level
 - Report observation using HCPCS G0378 per hour. One hour equals one unit of service up to a max of 24 hours
 - Telehealth distant site services can be billed with the CPT/HCPCS for the service and modifier GT (Interactive telecommunication)
 - Do not bill surgeries as reporting-only lines with a submitted charge of zero
- 

Resources

MO HealthNet Division Outpatient Simplified Fee Schedule effective for dates of service on or after July 1, 2021

Legend: \$0.00 = Paid zero, considered packaged. NC = Not covered.

Procedure Code	Procedure Description	Effective for Dates of Service Beginning 7/1/2021	Quantity
00100	Anesth salivary gland	\$0.00	1
00102	Anesth repair of cleft lip	\$0.00	1
00103	Anesth blepharoplasty	\$0.00	1
00104	Anesth electroshock	\$0.00	1
00120	Anesth ear surgery	\$0.00	1
00124	Anesth ear exam	\$0.00	1
00128	Anesth type	\$0.00	1
00140			
00142			



PROVIDER BULLETIN

Volume 44 Number 01

<http://dss.mo.gov/mhd/>

July 9, 2021

OUTPATIENT SIMPLIFIED FEE SCHEDULE - REVISED

EFFECTIVE DATE: **July 20, 2021**

APPLIES TO: ALL HOSPITALS PROVIDING OUTPATIENT SERVICES

OUTPATIENT SIMPLIFIED FEE SCHEDULE
OUTPATIENT SIMPLIFIED FEE SCHEDULE METHODOLOGY
CURSEMENT

SIMPLIFIED FEE SCHEDULE

The Division (MHD) is implementing a new outpatient payment method. The new outpatient payment method is primarily based on a percent of the current method also utilizes a fee schedule for certain services (e.g., telehealth originating site).

The new outpatient payment method for outpatient hospital services uses a simplified fee schedule based on Medicare's Ambulatory Payment Classifications (APCs). The Outpatient Simplified Fee Schedule (OSFS) is based on, but not identical to Medicare APCs and the new method uses this fee schedule for all outpatient services.

The OSFS will apply to all hospitals enrolled in the MO HealthNet program. Payment to physicians will not be affected.



COVID-19 UPDATES

A New Hospital Outpatient Payment Method for MO HealthNet Frequently Asked Questions

Version date: April 30, 2021

Please note that details of the payment method shown in this document remain subject to change before the implementation date. If so, an update will be available on the MO HealthNet Division's website.

The MO HealthNet Division (MHD) will move to a new method of paying for hospital outpatient services using a simplified fee schedule based on Medicare's Ambulatory Payment Classifications (APCs). Our goal is to implement a new method that is sustainable, rewards efficiency, increases fairness and transparency, reduces administrative burden, and improves purchasing clarity.

This document provides answers to some common questions about the new method. We invite additional questions.

OVERVIEW QUESTIONS

1. When will the new method be implemented?

The target date is July 1, 2021.

STATE OF MISSOURI
MoHealthNet
HOSPITAL MANUAL

00100
00102
00103
00104
00120
00124
00128
00140
00142

OSFS Resource Web Links

OSFS Fee Schedule:

<https://dss.mo.gov/mhd/providers/files/outpatient-simplified-fee-schedule.pdf>

OSFS Provider Bulletin:

<https://dss.mo.gov/mhd/providers/pdf/bulletin43-26.pdf>

OSFS Frequently Asked Questions:

<https://dss.mo.gov/mhd/files/outpatient-simplified-fee-schedule-faq.pdf>

MHD Hospital Provider Manual:

http://manuals.momed.com/collections/collection_hsp/print.pdf



OSFS Resource Web Links

MHD Provider Information Page:

<http://dss.mo.gov/mhd/providers/>

Provider Bulletins:

<http://dss.mo.gov/mhd/providers/pages/bulletins.htm>

Hot Tips:

<http://dss.mo.gov/mhd/providers/pages/provtips.htm>

MHD Provider Manuals:

<http://manuals.momed.com/manuals/>



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Subject: OSFS Inquiry