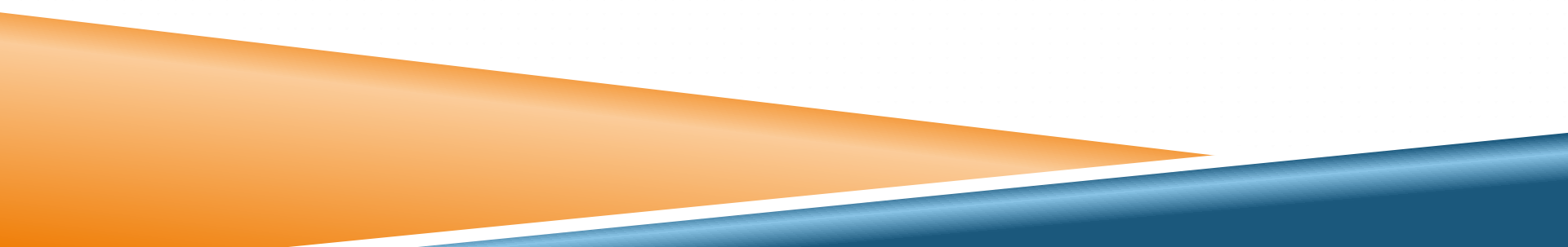# MO HealthNet Outpatient Simplified Fee Schedule

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
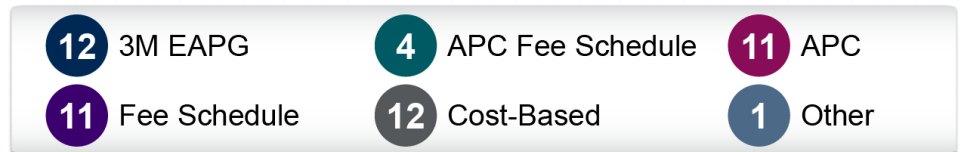 - Limit the use of complex pricing logic

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
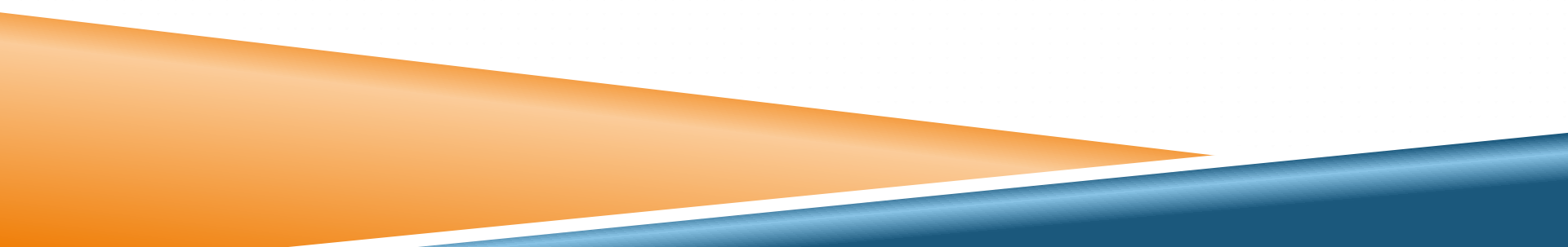
Reward Efficiency

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

How States Pay for Outpatient Hospital Services

Align outpatient payment method with Medicare, Medicaid, other payers

MO HealthNet is implementing an APC-based fee schedule

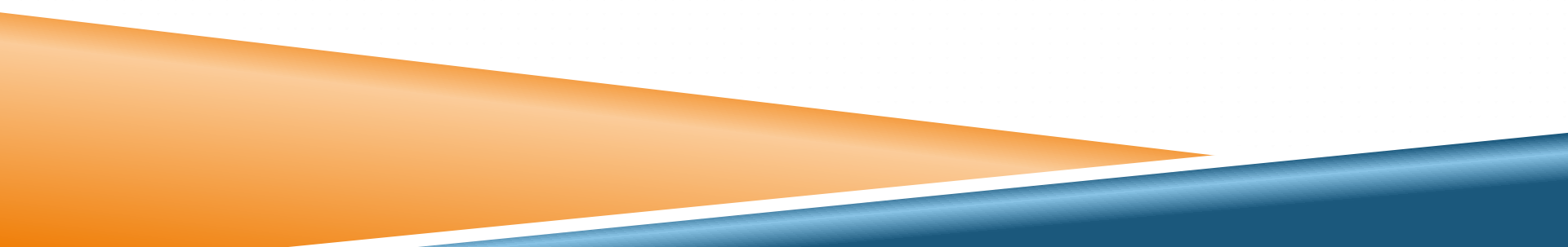|		
12 3M EAPG	**4** APC Fee Schedule	**11** APC
11 Fee Schedule	**12** Cost-Based	**1** Other

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
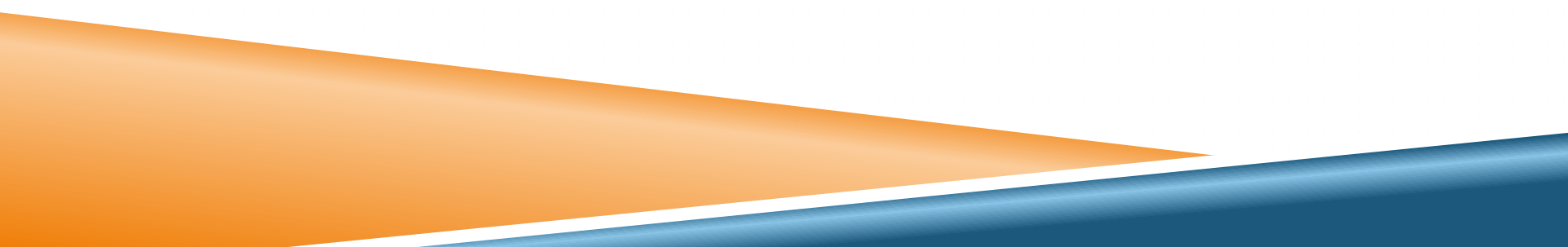
Outpatient Simplified Fee Schedule Hierarchy of Payment

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
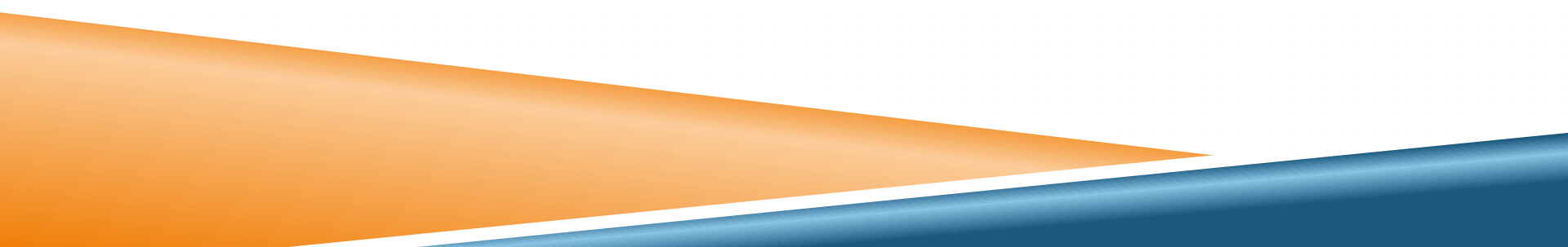
NDAS: National Dental Advisory Service

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

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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