

# Ohio Medicaid 2019 & EAPG Updates

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**BKD**

# Agenda

- Ohio Medicaid 2019 updates
- EAPG overview
- EAPG monitoring updates
- Billing & reimbursement issues & challenges
- EAPG specific issues & challenges
- Trends
- Project success & outstanding issues
- What's next

# Ohio Medicaid Updates

## **IMD – ‘In Lieu Of’ Criteria Clarification**

The Ohio Department of Medicaid recently reviewed their ‘In Lieu of Criteria’ policy for referring patients to Institutions of Mental Disease (IMDs) and have issued clarification to Managed Care Plans regarding the referral process and ODM’s policy.

# Ohio Medicaid Updates

## Clarifications to the ‘In Lieu Of’ Policy include:

- Patient’s pink-slipped from a medical hospital to an IMD do not have to be voluntarily admitted if they were assessed and ‘pink-slipped’ by a qualified clinician acting on the patient’s best behalf.
- Medical hospitals (typically ED staff) do not have to check for Med-surg availability any longer before referring a patient to an IMD for inpatient treatment.
- All other ‘In Lieu Of’ Criteria still apply.

# Ohio Medicaid Updates

## Ohio's 1115 Waiver Status

- Ohio's 1115 Waiver review is in a hold pattern behind Maine, Kansas and Arizona
- Ohio's appears to be the least complicated of the four
- CMS is experiencing a great deal of staffing changes, which has slowed down the review process.
- Note the change Ohio made to the waiver by waiving work requirements for SNAP in many counties in Ohio.  
(Reduction Impact: 36,000 down to 24,000)

# Ohio Medicaid Updates

## Potential Preventable Readmission Update

OHA & member hospitals brought concerns regarding the PPR program to the attention of ODM earlier in 2019. As a result, ODM performed an extensive review of the 3M program and resolved inconsistencies with the mental health risk adjustments and transfers.

# Ohio Medicaid Updates

## PPR Update Continued...

- Any hospital that received a PPR penalty in CY '18 will have its base rate returned to the pre-penalty base rate.
- Hospitals penalized in CY'17 or '18 under the then current PPR logic, but would not have been penalized under the revised PPR logic will have their pre-penalty hospital-specific base rate increased by an additional 1 percent for CY'19 and CY' 20 respectfully.
- Hospitals with PPR rates greater than 1.0 under the revised PPR logic for CY '17 and/or '18 will not be retroactively penalized.

# Ohio Medicaid Updates

- Operational Billing Issues – Fee for service & Managed Care
- NDC Updates / Denials
- CPT/HCPCS & OP Code Updates for 2019
- Reprocessing of Claims Issues



# Ohio Medicaid Updates

- Hospital billing of corrected claims to Medicaid and Medicaid Managed Care
- Re-calibration (weights) & re-basing (rates) in 2019
- Updated 3M EAPG grouper version
- Revised Ohio Administrative Code to sunset carve out provisions (UB and Behavioral Health) in the near future

# EAPG Overview

- Outpatient claims classification system developed by 3M
- Accommodates all patients, not just Medicare population
- Uses discounting, packaging & consolidation
- Uses CPT/HCPCS & ICD-10 Diagnosis Codes
- Weights and rates set by Ohio Department of Medicaid
- Go-live date August 1, 2017

# EAPG Overview

$$A \times B \times C = \$$$

A = Hospital specific base rate adjusted for risk corridors

B = EAPG relative weight

C = Applicable discounting factor(s)

\$ = Payment (rounded to the nearest penny)

# EAPG Overview

- Other factors impacting reimbursement
  - Modifiers
  - IP Only List
  - Covered CPT/HCPCS codes list
  - OAC Policy Decisions
  - Managed Medicaid Plan contract differences
  - Denials

# EAPG Monitoring Updates

## Risk Corridor Analysis

- Model 13 of ODM Analysis
  - Stop Loss/Stop Gain (0% to 5%) based on fee-for-service payments
- ODM monitoring for  $> 5\%$ 
  - No modeling done by ODM as of January 1, 2019
- Hospital responsible to report for  $< 0\%$ 
  - For hospitals participating in the Risk Corridor Monitoring project, OHA provided ODM with Hospitals less than 0%

# EAPG Monitoring Updates

## Risk Corridor Analysis

- Hospital & Peer Group Analysis
  - Seeing issues primarily for Southwest Peer Group
  - Many hospitals with large variations (positive and negative) from peer group
- Detail Line Impacts
  - Previous use of Paragraph L Billing
  - NDC reporting
  - Codes not on covered code list
  - Inclusion of Behavior Health billing
- Claim & Remit Volume Impacts on Processing

# Billing & Reimbursement Issues & Challenges

## General Billing Issues Impacting Reimbursement

- Coding rules & NCCI edits
- Denial issues
  - Prior authorization
  - Pre-determination for drugs
- Managed Care contracts
- Provider manuals
  - CareSource Payer Policy – RT/LT vs. Mod 50

# EAPG Specific Issues & Challenges

- Covered code list
  - 100,000+ detail lines of codes not on covered code list
    - 15 month time frame
    - 23 hospitals
  - Variations on how payers are processing
  - Medicare HCPCS, find corresponding CPT code
  - Check the list!
    - Codes added 1/1/2019 & removed 12/31/2018



# EAPG Specific Issues & Challenges

- UB Modifier

- Location, Location, Location

- UB Mod goes on 1 line, the PRIMARY PROCEDURE!

- Reimbursement observations – 25X/636 vs. 27X

- Use the 3M EAPG grouper to model

- Quick math\* (*for claims with supply/device/implant*)

- Find high dollar supplies/implants (ex. all implants over \$15,000)
    - $(27X \text{ charges} \times \text{CCR}) \times 0.60 = \text{Reimbursement with UB Mod}$
    - Compare to remit payment for Primary Procedure and other paid procedures

*\*Ballpark estimate to identify supply/device/implant items that need further analysis to determine benefit of adding UB Modifier*

# EAPG Specific Issues & Challenges

- E/M visits on a series claim
- Pharmacy HCPCS
  - Billing unit issue could cause lesser of issue
- Lab & Radiology Prices
  - Can departments do price overrides?
- Dental
  - Missing D codes from covered code list; ODM reviewing
- Observation
  - Updated OAC
  - Low payment but high volume

# Trends

- Increase in Average Days to Pay
  - Reprocessing old claims
  - Increased pre-payment reviews
- Increase in Claim Follow-up Rate
  - Denials or manual intervention needed
- Denials
  - Issues outside of EAPG reasons
    - Duplicates, COB, coverage terminated, timely filing, inconsistent or missing modifiers and authorizations

# Project Success & Outstanding Issues

- ODM providing report of codes and usage of CPTs/HCPCS not on Covered Code list
- Addition of 5 new codes to Covered Code list in early 2019
- Grouping issues for UB Modifier
- Requested revisions to D-code covered list
- On-going discussions between OHA, ODM & BKD
  - Discounting & consolidation issues
  - Pharmacy Fee Schedule & OAC issues

# What's Next

- EAPG monitoring through July 2019
  - Potential to extend and refine Base & Optional Package
- Rebase & Recalibration
- Updated 3M grouper version

# Thank You!

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