MHA Update

Michigan Revenue Cycle Association March 15, 2019

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Who is the MHA?

- **Mission**: *We advance the health of individuals and communities.*
- **Vision**: *Through our leadership and support of hospitals, health systems and the full care continuum, we are committed to achieving better care for individuals, better health for populations and lower per-capita costs.*

Posting of Hospital Charges

- Effective Jan. 1, FY 2019 IPPS final rule requires each hospital to post its standard charges as reflected in the chargemaster for all items and services provided by the hospital
- Must be posted in a machine-readable format
  - Only formats that can be easily imported into a computer system (e.g., XML, CSV)
  - PDFs will not suffice

Continued, Posting of Hospital Charges

- Requires all hospitals, **including critical access and specialty hospitals,** to comply with the mandate
- Charges must be updated at least annually
- CMS is working on a broader healthcare transparency strategy and has sought input from healthcare stakeholders
- CMS stated in its FAQs that future rulemaking would establish penalties for noncompliance, though none exist as of today

Medicare Clinical Lab Reporting Requirements

- The Protecting Access to Medicare Act of 2014 (PAMA) required the CMS to collect private payor data from "applicable laboratories"
- An "applicable lab" is a laboratory that:
  - Bills Medicare fee-for-service (FFS) Part B on the Form CMS-1450 under Type of Bill 14x
  - Receives more than 50 percent of its Medicare FFS revenue from one or a combination of the Clinical Lab Fee Schedule (CLFS) or Physician Fee Schedule (PFS) during the Jan. 1 – June 30, 2019 data collection period
  - Receives at least $12,500 in Medicare FFS revenues from the CLFS during the data collection period

Continued, Medicare CLFS Reporting

- All "applicable labs" are required to report their private payer rate and volume data during the reporting period of Jan. 1 – March 31, 2020
- CMS resources:
  - an updated summary of the private-payer rate-based CLFS
  - a Medicare Learning Network article, and
  - answers to Frequently Asked Questions.

Physical Health HRA Methodology

- Provides 70% add-on for inpatient MCO services and 87.3% add-on for outpatient services
  - Same as FY 2018 add-on percentages
- Total FY 2019 Q1 payments of $520M were higher than previous quarters
  - CHAMPS system issue delayed processing of encounters for last two weeks of September
  - Hospitals should NOT annualize Q1 payment amounts since payments for future quarters are expected to be lower

Key Operational Details

- Hospitals can use recent MCO data to estimate payments, incorporating time lag between MCO payments and MDHHS acceptance of MCO encounters
- Seasonality of services vs. prior “smoothing”
- Hospital system conversions or other IT issues that result in claims delays will result in hospitals experiencing lower quarterly HRA payments with catch up in future quarters

Psych HRA Program

- Program provides supplemental payments for Medicaid inpatient psychiatric services
- Since its inception in FY 2010, the psych HRA program provided hospitals with a $191 million net benefit
- Changes were required for compliance with CMS Medicaid managed care final rule, consistent with physical health HRA
- MHA worked with MDHHS BHDDA staff to redesign the program for FY 2019 to comply with the Medicaid managed care final rule

Continued, Psych HRA Program

- Approved plan provides an add-on of $308 per day for each Medicaid **and** Healthy Michigan Plan inpatient day
- Q1 Psych HRA payments totaled $19.5M including:
  - $12.5M for regular Medicaid
  - $ 7.0 M for Healthy Michigan Plan
  - Hospitals should NOT annualize these payment amounts since payments for future quarter are expected to be lower
- Estimated increase in annual statewide payments from $45M to $60M for FY 2019
  - Minimal increase in QAAP tax due to higher federal match for Healthy Michigan Plan

Continued, Psych HRA Program

- Hospitals should ensure that the NPI used to bill the PIHPs or Community Mental Health Service Providers is enrolled in CHAMPS
  - Hospitals will not receive HRA payments if NPI is not enrolled in CHAMPS or if an inaccurate NPI is submitted to the state
- Hospitals are encouraged to engage with PIHPs/CMHSPs with which they do business to ensure that the correct NPI is being submitted to the state

MCO Provider Enrollment

- Effective Jan. 1, 2019, MSA proposed policy (MSA 18-47) would require all MCO providers to be enrolled in CHAMPS
  - Includes physicians, physician assistants, certified nurse practitioners, dentist and chiropractors
  - Policy initially scheduled to take effect March 1, 2018
- In calendar year 2019, MDHHS will begin implementation of phased provider enrollment enforcement of non-enrolled Medicaid providers
- MDHHS will begin to prohibit MCOs from making payment to provers not enrolled in CHAMPS including prescription drug claims written by a prescriber who is not enrolled in CHAMPS
- **Teaching hospitals are encouraged to enroll new medical residents prior to beginning of residency programs July 1, 2019**

Ambulance QAAP

- Effective July 1, 2018, ground ambulance providers saw a 20% rate increase for 8 service codes for both Medicaid FFS and MCO transports
- Funded by quarterly quality assurance assessment program (QAAP) tax
- QAAP tax calculated based on $3.60 per transport during FY 2017
- QAAP tax invoices distributed quarterly
  - December, March, June, September
- Hospitals encouraged to review MCO payments for accuracy

NICU Issues

- MSA working to resolve issue where some MCOs are denying payment for NICU services or paying at regular APR-DRG weights rather than alternative NICU weights
- MSA is developing a workgroup to review Medicaid NICU policy
- MSA revised NICU alternate weights to correct an error and reprocessed FFS claims previously paid using the incorrect weights
- Hospitals encouraged to ensure that MCOs have reprocessed claims previously paid for dates of service on/after 10/01/18 using the incorrect weights

Equian Reviews

- Some MCOs have contracted with Equian to do inpatient prepayment claim reviews
- Effective April 15, Meridian will require submission of itemized bills with all facility claims with expected payments of $25,000 and up
- Claims will be denied if itemized bill is not included
- Hospital will need to resubmit claim as a corrected claim with itemized bill
- If billing issues are identified, Equian will send hospital their detailed findings and provide a direct point of contact for discussion and resolution

Continued, Equian Reviews

- MHA believes a detailed review of these claims is unwarranted and unnecessary for claims not in outlier status as the MCO payment will not vary if the MCO uses the APR-DRG system
  - Only cases that fall into outlier status s/b reviewed
- MHA objects to the requirement that hospitals submit the detailed bill via paper which results in a huge administrative burden and delays the process
  - Any requirement for additional data s/b electronic

MSA Final Policy 18-50

- As of Jan. 1, 2019, providers can bill Medicaid FFS or the Medicaid MCO as the primary payor for Medicaid beneficiaries that are eligible for but not enrolled in Medicare as of their date of service
  - Includes individuals that have partial Medicare coverage, i.e. Medicare Part A but not Part B
- Previous policy required that Medicaid FFS and MCO claims for these patients be rejected by MSA or the MCO with the provider required to wait until the patient obtained Medicare coverage resulting in account write offs

Continued, MSA Final Policy 18-50

- For patients who obtain Medicare coverage for their date of service, provider should adjust claim and bill Medicare
- If providers do not perform claim adjustments, MSA will initiate claim voids
- Providers allowed six months to bill Medicare for patients who obtain Medicare coverage retroactively

Claims Issue - MSA Final Policy 18-50

- In late February, MDHHS identified an internal issue that is causing claims that should be paid based on MSA Policy 18-50 to deny with claim adjustment reason code 22
- MDHHS is working on a permanent resolution
- In the interim, there will be weekly reports to identify and reprocess these claims
- Hospitals should allow 30 days from the date of submission for the claim to be reprocessed prior to contacting provider support
- Contact provider support with further questions
  - 1-800-292-2550 or Providersupport@Michigan.gov

FY 2020 Executive Budget Recommendations

- No change from current funding level for:
  - Graduate Medical Education
  - Disproportionate Share Hospital Payments
- Rural Access & OB Stabilization Pools – Base funding continues at same level
  - Includes $7M in supplemental funding down from $10M in additional funding for FY 2018 and FY 2019
- An additional $10M for implementing the Jan. 1, 2020 Medicaid work requirements
  - Will ensure that impacted beneficiaries have access to needed employment supports while providing additional resources to MDHHS for compliance

FY 2016 Medicaid DSH Audits

- Feb. 21 – Hospital surveys distributed by Myers and Stauffer to all hospitals that received payments from any FY 2016 DSH pool
- **March 21** – Completed surveys due to M & S
- March – May – desk reviews by M & S
- May – June – on-site/expanded reviews by M & S
- Sept. 30 - draft report due to MSA
- Dec. 31 – final report due to CMS

- Hospitals encouraged to contact M & S asap if unable to meet the March 21 deadline

New Air Ambulance Requirements

- Effective March 19, amendments to the Public Health Code require hospitals to prioritize ground transportation over air for nonemergency patient transport
- Hospitals seeking to use air transportation for a nonemergency patient are required to take certain steps before ordering an air ambulance including:
  - Attempting to determine whether a patient's insurance coverage includes a participating agreement with the proposed air transportation company
  - Obtaining the patient's signature on a notification outlining the patient's right related to air transport

Continued, New Air Ambulance Requirements

- Failure to comply with the new requirements may result in financial liability for the hospital
- The MHA has developed a sample notice to assist hospitals in complying with the new law
- MHA is hosting a webinar today regarding the new requirements with the recording to be available

Medicare Advantage Plans

- As of January 2019, 37 plans operating in Michigan, with 845,000 or ~42% of Michigan's 2 million Medicare beneficiaries enrolled in an MA plan
  - Enrollment up 31,000 since October
  - Up to 21 plans in some counties
- Review MA payment rate for all plans
- CAH entitled to Medicare cost reimbursement
- Each MA plan may determine own utilization model and is not required to maintain electronic transactions
- Many MA plans have instituted "RAC-like" utilization programs
- Matrix of MA plans by county available at MHA website – updated quarterly
  - see March 11 MHA Monday Report article

MHA Monthly Financial Survey (MFS)

- Provides free benchmarking of hospital financial and utilization results
- Some Michigan hospitals have participated since 1999
- Approximately 500 hospitals in 14 states participate nationally
- Full participation endorsed by MHA board at its February 2016 meeting

Days in A/R

- Results for 18 Michigan hospitals that submitted data to MHA Monthly Financial Survey for calendar 2018 and 2017
  - Medicare – Days decreased from 41 to 29
  - Medicaid – Days down from 54 to 35
  - BCBSM – Days down from 37 to 44
  - Overall – Days down from 53 to 42

MHA Resources

- **MHA Monday Report** – A weekly email newsletter that recaps the latest policy and advocacy news of critical importance to Michigan's community hospitals. Subscribe at https://www.mha.org/Monday-Report-Subscription.
- **MHA.org –** The latest news from MHA and resources about Advocacy issues, Education and Events, MHA Keystone Center and more.
- **MiCareMatters.org** – MHA's statewide campaign that highlights how Michigan hospitals are leading the way to create healthy, thriving communities with work that extends beyond the walls of hospitals.
- **VerifyMICare.org** – MHA's hospital transparency website, which includes clinical quality measures from Michigan Hospitals.

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