



# **SoonerCare** Provider Reimbursement Notice

OKC Metro Area (405) 522-6205 / Statewide Toll-Free (800) 522-0114

## Hospital Updates

OHCA PRN 2010-03

March 11, 2010

### Hospital Administrators

This letter is to update you on the status of the annual Diagnosis Related Group (DRG) rebasing project, new inpatient rates for all hospitals, allocation of FFY10 Disproportionate Share Hospital (DSH) payments, new policy regarding Medicare coinsurance and deductible payments, APC table updates, and billing PET/MRIs in the emergency department (ED).

#### HOSPITAL UPDATES

##### Hospital Base Rates and MS-DRG Grouper

The annual rebasing for inpatient hospital services paid under the DRG system was completed and letters were mailed out detailing each facility's base rate effective Jan 1, 2010. The base rates, as well as the updated DRG weights, are available on our public website at [OHCA - Acute General Inpatient Hospital Reimbursement](#). OHCA implemented MS-DRG v27 for discharges on or after January 1, 2010; the same DRG grouper Medicare adopted October 2009.

Unfortunately due to revenue shortfalls OHCA has been forced to implement across the board provider rate cuts. DRG base rates will be reduced by 3.25% effective April 1, 2010. Providers will remain in the same peer group for CY2010 but the base rate associated with that peer group will now be as follows:

Peer Group 1 - \$4,052.93  
Peer Group 2 - \$4,140.00  
Peer Group 3 - \$4,432.29  
Peer Group 4 - \$4,602.43  
Peer Group 5 - \$4,982.66

##### Inpatient Per Diem Rates

Inpatient per diem rates paid to freestanding rehabilitation, freestanding psychiatric and children's sub-acute long term care hospitals are also affected by the revenue shortfall. Their rates will be reduced by 3.25% effective April 1, 2010 as well. Letters will be generated notifying providers of their new per diem rates.

##### FFY10 Disproportionate Share (DSH) Payment

OHCA has completed the FFY10 DSH allocation. The first and second quarter FFY10 DSH payments will be distributed on the March 17<sup>th</sup>, 2010 remits. Letters have been sent out detailing allotment amounts. Thank you for your patience.

### **Medicare Crossover Claims**

Beginning Jan. 1, 2010 OHCA reduced the Medicaid allowable for Medicare inpatient (Part A) and outpatient (Part B) hospital crossover claims from 100% of the Medicaid allowable for deductibles and coinsurance to 75% Medicaid allowable for deductible and 25% Medicaid allowable for coinsurance. Since the combined payment from Medicare and SoonerCare is comparable to the Medicaid fee schedule, the patient cannot be billed for any unpaid coinsurance and / or deductible. Providers should review the Medicare "bad debt" criteria on hospital cost reporting to CMS. Hospitals may be entitled to claims as a reimbursable cost, "bad debts" attributed to amounts unpaid for Medicare deductibles and coinsurance.

### **APC Fee Schedule**

OHCA updated the APC fee schedule effective January 1, 2010. It can be found on our public website at this [link](#). We added several new codes at the request of providers. This fee schedule will also be updated April 1<sup>st</sup>, 2010 to reflect the 3.25% across the board rate reduction.

### **PET / MRIs in ED Update**

The system coding changes have been completed and are currently in place to correctly process PET / MRIs performed in the emergency department (ED). Please be reminded that providers should use the **Point of Origin for Admission or Visit code (UB-04 FL 15 – formerly the Source of Admission code)** to indicate the point of origin for the visit is the ED. If PET / MRIs performed in the ED are not coded with the correct point of origin they will continue to deny for a PA.

If you have any questions or require additional information please contact me by email at [Kelly.Botten@okhca.org](mailto:Kelly.Botten@okhca.org) or by phone at (405) 522-7108.

Thank you for your continued service to Oklahoma's *SoonerCare* members.