ED Facility Reimbursement: Key 2019 Updates

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2019 OPPS Facility Payment Update

- **Increase in OPPS rates of 1.35% in 2019**
- Contributing factors
  - Positive 2.9% market basket update
  - Negative 0.8% MFP adjustment
  - Negative 0.75% additional adjustment
- 2018 CF $78.636
- 2018 CF $79.490
In recent years, there has been significant growth in the number of health care facilities located apart from hospitals that are devoted primarily to emergency department services. This includes both off-campus provider-based emergency departments that are eligible for payment under the OPPS and independent freestanding emergency departments not affiliated with a hospital that are not eligible for payment under the OPPS.

Med Pac and others have expressed concerns that services may be shifting to the higher cost emergency departments due to higher payment rates for services performed in off campus provider based emergency departments....

due to the exemption for services provided in an emergency department included under section 603 of the Bipartisan Budget Act of 2015 (Pub. L. 114-25),"
“We agree with MedPAC’s recommendation and believe we need to develop data to assess the extent to which OPPS services are shifting to off-campus provider-based emergency departments. Therefore, we announced in the CY 2019 OPPS/ASC proposed rule (83 FR 37138) that we are implementing through the subregulatory HCPCS modifier process a new modifier for this purpose, effective beginning January 1, 2019.

“We will create a HCPCS modifier “ER” - Items and services furnished by a provider-based off-campus emergency department) that is to be reported with every claim line for outpatient hospital services furnished in an off-campus provider-based emergency department. We stated that critical access hospitals (CAHs) would not be required to report this modifier.”

-2019 OPPS Final Rule Page 588/1182
11 Guiding Principles

1. The coding guidelines should reasonably relate the intensity of hospital resources to the different levels of effort represented by the code.
2. The coding guidelines should be based on hospital facility resources and not be based on physician resources.
3. The coding guidelines should be clear to facilitate accurate payments and be usable for compliance audits.
4. The coding guidelines should meet HIPAA requirements.

CMS 11 Guiding Principles (cont.)

5. The coding guidelines should only require clinically necessary documentation
6. The coding guidelines should not facilitate upcoding
7. The coding guidelines should be written.
8. The coding guidelines should be applied consistently
9. The coding guidelines should not change with great frequency.
10. The coding guidelines should be readily available for review.
11. The coding guidelines should result in coding decisions that could be verified by outside sources.

-2008 OPPS pages 872-873

Response: As we have in the past (74 FR 60553 and 75 FR 71989 through 71990), we acknowledge that it would be desirable to many hospitals to have national guidelines. However, we also understand that it would be disruptive and administratively burdensome to other hospitals that have successfully adopted internal guidelines to implement any new set of national guidelines while we address the problems that would be inevitable in the case of any new set of guidelines that would be applied by thousands of hospitals. We will continue to regularly reevaluate patterns of hospital outpatient visit.

-2012 OPPS page 773

2019 ED Facility Guidelines Update

“In the CY 2019 OPPS proposed rule, we proposed to continue with our current emergency department hospital outpatient visits payment policies.

We sought public comments on any changes to these codes. We did not receive any public comments on our proposals to continue our current ED hospital outpatient visits payment policies. Therefore, we are adopting these proposals as final without modification.”

-2019 OPPS Final Rule page 520/1182
2019 ED Payment Construct

- Payment continues for 5 distinct ED levels
- Each ED level is still assigned to a unique APC
- Each APC is paid at a unique rate proportional to the intensity of services
- Level assignment and accurate charge capture matter
- The ED APCS were renumbered in 2016 and that convention/numbering continues for 2019

2019 Facility E/M Level Revenue

<table>
<thead>
<tr>
<th>Fac. Level</th>
<th>APC</th>
<th>2018</th>
<th>2019</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>99281</td>
<td>5021</td>
<td>$68.66</td>
<td>$69.73</td>
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<tr>
<td>99282</td>
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<tr>
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<tr>
<td>99285</td>
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<td>$525.30</td>
<td>+0.86%</td>
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<tr>
<td>99291</td>
<td>5041</td>
<td>$733.58</td>
<td>$740.02</td>
<td>+0.88%</td>
</tr>
</tbody>
</table>
No significant coding changes:

“We did not propose any change to our payment policy for critical care services for CY 2019. In the CY 2019 OPPS/ASC proposed rule, we sought public comments on any changes to these codes that we should consider for future rulemaking cycles. We continue to encourage commenters to provide the data and analysis necessary to justify any suggested changes.”

-2019 OPPS page 520/1182

- Reported with 99291
- APC 5041 was new for 2016 and remains unchanged in 2019
- 2017 payment: $686.87
- 2018 payment $733.58 (+6.8%)
- 2019 payment $740.02 (+0.88%)
2019 Trauma Activation

- Requires pre-hospital notification
- State or ACS trauma designation
- Medicare requires critical care
- No significant 2019 changes
- Specific code
  - HCPCS G0390
  - APC 5045 $945.35

Key Additional Services
Reported using CPT codes, not DX codes
May not be area of focus for DRG coders
Capture them all
- ED physician
- **Consultant**
- Nurse

<table>
<thead>
<tr>
<th>Code</th>
<th>Procedure</th>
<th>Payment</th>
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</thead>
<tbody>
<tr>
<td>23650</td>
<td>Shldr. dislocation</td>
<td>$225</td>
</tr>
<tr>
<td>10061</td>
<td>Abscess</td>
<td>$314</td>
</tr>
<tr>
<td>12052</td>
<td>Facial laceration</td>
<td>$314</td>
</tr>
<tr>
<td>32551</td>
<td>Chest tube</td>
<td>$1,093</td>
</tr>
</tbody>
</table>

**Hierarchy: Hydration, Injection, Infusion**

- Three services:
  - Hydration
  - Injection
  - Infusion
### Services Defined

- Injection/Push-IV medication given over less than 15 minutes
- Infusion-IV medication given over 15 minutes or more
- Hydration-prepackaged fluids given through an IV (NS, D5W, LR, D5 ½ NS)
  - 31 minutes to 1 hour
- These are time-based codes
- Need start and stop times

### 2019 Reimbursement: Hydration/Medication Administration Services

<table>
<thead>
<tr>
<th>Code</th>
<th>Service</th>
<th>2018 CMS Payment</th>
<th>2019 CMS Payment</th>
<th>Variance</th>
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<tbody>
<tr>
<td>96360</td>
<td>Hydration</td>
<td>$191.08</td>
<td>$187.18</td>
<td>-2.04%</td>
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<td>Hydration+</td>
<td>$37.03</td>
<td>$37.88</td>
<td>+2.30%</td>
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<td>Infusion</td>
<td>$191.08</td>
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<td>$37.03</td>
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<tr>
<td>96375</td>
<td>Injection+</td>
<td>$37.03</td>
<td>$37.88</td>
<td>+2.30%</td>
</tr>
</tbody>
</table>

Highlighted codes are bundled with ED E/M services
2019 ED Packaging

- ED Services as S.I. V will package many services
- Q1 continues to expand
  - Packaged with S, T, or V
  - Many laceration repairs
- Packaging continues to increase
  - Most plain films and most labs (Q4), Some US
  - Minor procedures (e.g. lacerations Q1)
  - Foley, TC of EKG (Q1)

Increased ED Packaging: Why?

2019 OPPS Final Rule:

“The OPPS packages payments for multiple interrelated items and services into a single payment to create incentives for hospitals to furnish services most efficiently and to manage their resources with maximum flexibility. Our packaging policies support our strategic goal of using larger payment bundles in the OPPS to maximize hospitals’ incentives to provide care in the most efficient manner.”

-2019 OPPS Final Rule page 111/1182
Putting the “Prospective” in OPPS

- Increased packaging of services into the E/M level
- OPPS becoming even more of a prospective payment
- Less like a fee schedule

“Finally, packaging may reduce the importance of refining service-specific payment because packaged payments include costs associated with higher cost cases requiring many ancillary items and services and lower cost cases requiring fewer ancillary items and services.”

-2019 OPPS Final Rule page 112/1182

Conclusions

- Correct E/M charge capture increasingly essential to financial success
- ED procedure and medication administration capture are important revenue contributors
- 2019 packaging of services adds resource use pressure and efficiency pressure
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