



SoonerCare Provider Reimbursement Notice

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

Inpatient Admitting Notification Outpatient APC Transition

OHCA PRN 2009-04

November 21, 2008

Hospital Administrators

This letter is to update you on the annual rebasing process for inpatient hospital services paid under the Diagnosis Related Group (DRG) system as well as to advise you of some other changes being implemented in January 2009.

Inpatient Updates

Hospital Base Rates and DRG Weights

Letters detailing each facility's base rate and CCR were mailed out November 3, 2008. If you cannot locate or have not received your letter, this information, as well as the updated DRG weights, is available on our public website at www.okhca.org/providers/types/drg.

Inpatient Admission / Discharge Notification

In an effort to better coordinate care for our SoonerCare members we are asking all hospitals to provide notification when a SoonerCare member is admitted. We do not want to create a burdensome process and are hoping to work with data that is currently available to the hospitals. We would like a census or other similar report for SoonerCare members showing their recipient identification number, date of admit, and admitting diagnosis. We would also like to be informed when the member is discharged so we may provide this information back to the member's primary care provider (PCP) for appropriate post visit follow-up. Please contact us if you have a suggestion to improve this process or if you have any questions.

The fax number for this information is 405.530.7236.

Outpatient Claims Processing Changes

Emergency Department Facility Fees

As noted in [Provider Reimbursement Notice \(PRN\) 2009-02](#) OHCA will be transitioning some codes currently paid under a different methodology to the APC payment methodology. The first codes to be transitioned are the emergency department facility fees. Currently hospitals are paid using an all-inclusive bundled rate that includes laboratory, radiology, and all other ancillary services. The Centers for Medicare and Medicaid Services (CMS) does not consider

bundling facility and professional services efficient and economic for outpatient hospital services. Moreover, **Federal law under Section 1903 (j)** of the Social Security Act limits Medicaid reimbursement for clinical diagnostic laboratory services to the amount of the Medicare fee schedule for the services on a per test basis. Therefore, we are modifying the emergency department reimbursement methodology facility fee effective January 1, 2009 to more closely follow Medicare's APC payment methodology. Providers will bill the revenue code 45X with the appropriate CPT code and the claim will price off the APC table. Payment for laboratory will be made at the Medicaid laboratory fee schedule and x-ray will be paid at the professional fee schedule. After January 1, 2009 claims filed with revenue code 45X without an appropriate CPT will no longer pay an emergency department facility fee.

Other Codes to Transition

OHCA will be reviewing other codes that are currently paid using a flat fee methodology (observation, clinic facility fees) for future transition to the APC payment methodology. Observation diagnosis codes are also being reviewed and we anticipate adding additional codes – codes specific to pediatric cases – to the approved list of payable observation diagnosis codes. If you have diagnosis codes you would like to have considered for inclusion, please let me know.

If you have any questions or require additional information about this please phone Kelly Botten at (405) 522-7108 or email at Kelly.Botten@okhca.org.

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