

STATE OF CONNECTICUT HOSPITAL PAYMENT MODERNIZATION TRANSITION TO APCs

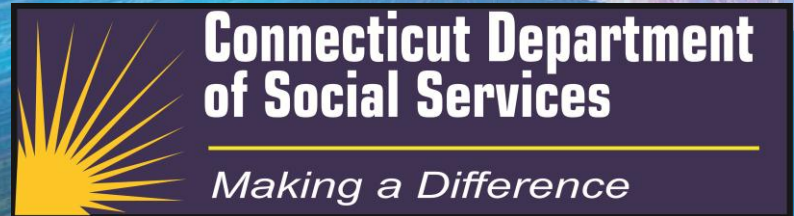
April 9, 2015

Agenda

- Welcome and Introduction.
- Hospital Payment Modernization Review:
 - Project Phases.
 - Guiding Principles.
- Methodology Overview.
- Claims and Billing.
- Project Schedule.
- Next Steps.
- Questions and Answers.



INTRODUCTION



HOSPITAL PAYMENT MODERNIZATION PROJECT



Project Phases

Phase One: Inpatient — All Patient Refined-Diagnosis Related Groups.

Phase Two: Outpatient — Ambulatory Payment Classifications (APCs).

The focus for this presentation is Phase Two: Outpatient — APCs.

GUIDING PRINCIPLES



Guiding Principles

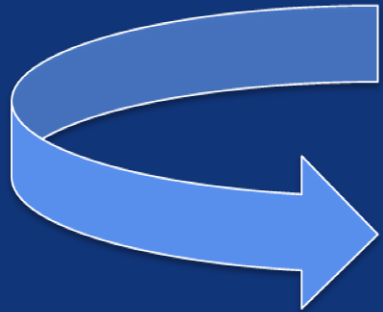


Maintain a long-term commitment to goals of improved accuracy, predictability, equity, timeliness, and transparency of hospital payments for all Medicaid beneficiaries in the State of Connecticut — with short-term focus on improved technology and mechanics of payment.

Guiding Principles (cont'd)

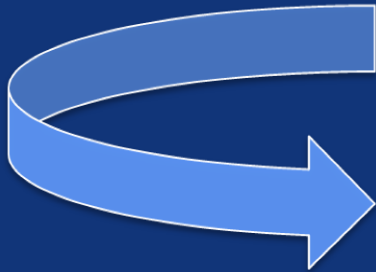


Guiding Principles (cont'd)

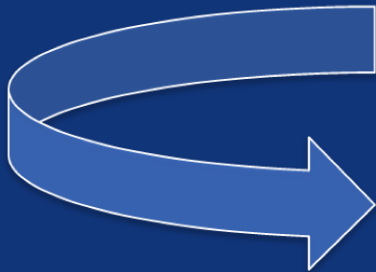


Over arching policy direction of consistency with industry standard payment practices; specifically, Medicare payment policy.

Guiding Principles (cont'd)

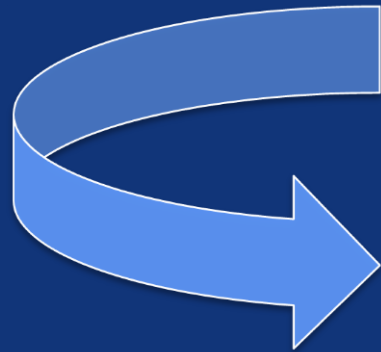


Use the best available data for system development.



Modify billing practices and requirements, as necessary, to provide accurate payment and robust analytics.

Guiding Principles (cont'd)



Be mindful of the need to update payment systems as soon as possible, yet coordinate with other Connecticut Department of Social Services (DSS) priorities, such as international statistical classification of diseases and related health problems (ICD-10) in October 2015.

Guiding Principles (cont'd)



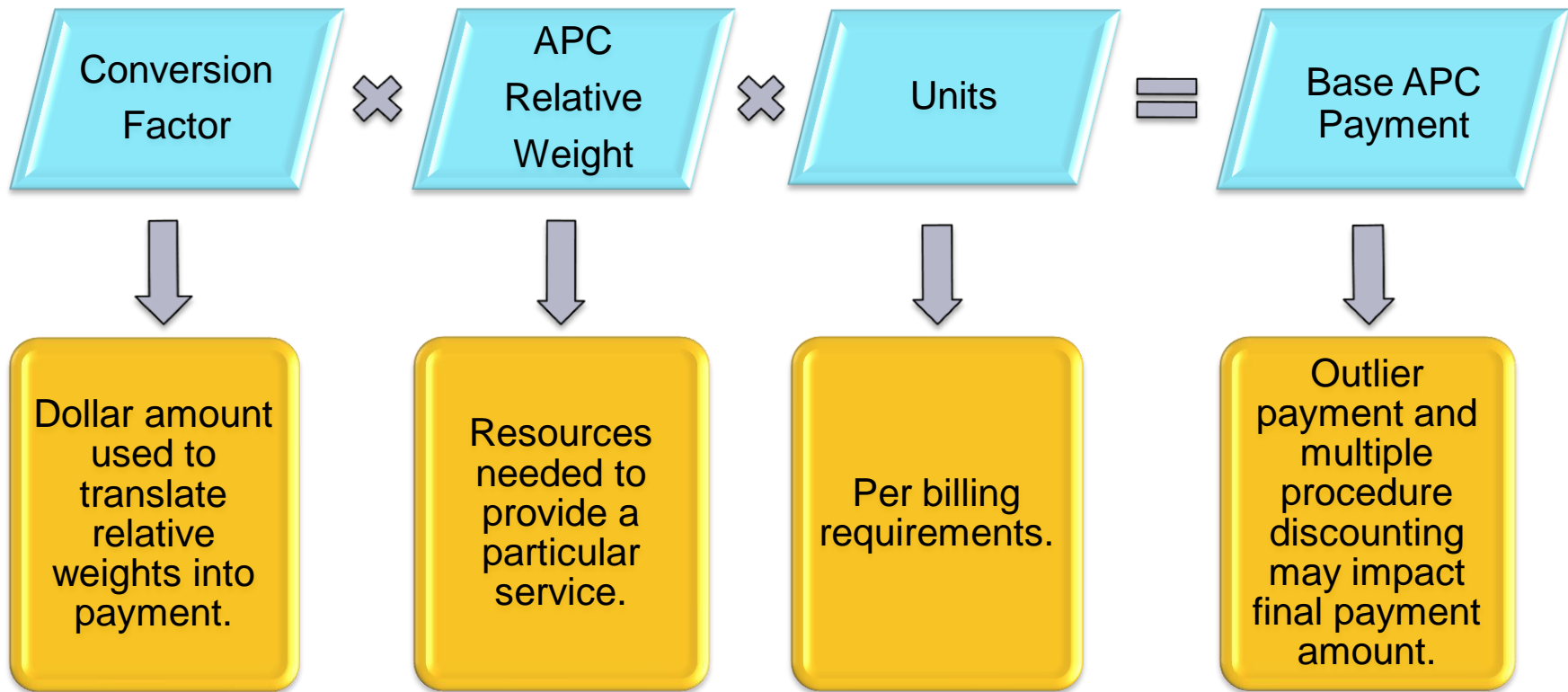
Develop the most robust and comprehensive system possible while allowing flexibility to handle exceptions in an equitable and efficient manner.

METHODOLOGY OVERVIEW



Methodology Overview

Calculation of an APC Payment



CLAIMS AND BILLING



Claims and Billing Early Observations

Missing Modifiers — Example: emergency department (ED) settings.

Outdated Coding Practices — Example: evaluation and management (E&M) HCPCS within clinic settings.

Claims and Billing (cont'd)

Anticipated Billing Changes

Required Procedure Codes

- Additional revenue codes will have required procedure codes.
- Hospitals with 340B pharmacies will be required to provide procedure codes for pharmacy services.
- Some validation of procedure codes billed with correct RCCs.

Increased Use of Modifiers

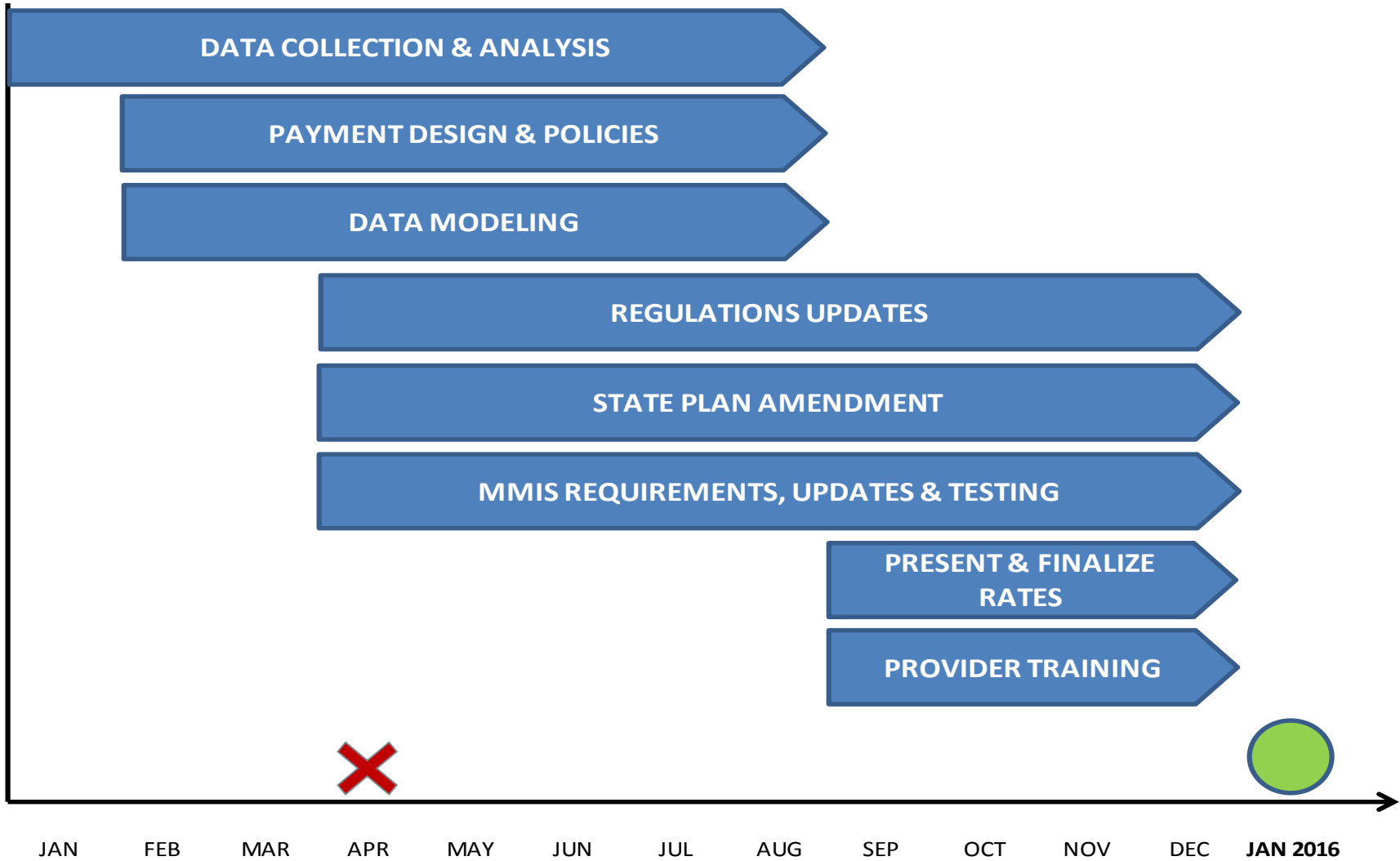
Others

- Example: Edits for correct use of type of bill 14X.

PROJECT SCHEDULE



Project Schedule



NEXT STEPS



Next Steps

Additional data analysis:

- Three month claims sample.
- Assign APCs.
- Claims data quality.
- Billing and coding improvements.

Payment design and policies:

- Inventory current payment structure.
- Identify proposed payment structure.

QUESTIONS AND ANSWERS



Resources

Connecticut Department of Social Services Reimbursement Modernization Website:

<http://www.ct.gov/dss/cwp/view.asp?a=4598&q=538256>

Connecticut Medical Assistance Program Website:

www.ctdssmap.com



Please address any additional questions in writing to:

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