IHCP *bulletin*

INDIANA HEALTH COVERAGE PROGRAMS BT202432 MARCH 14, 2024

CMS approves State Plan Amendment (23-0011) – NF and Hospice provider reimbursement impacts

The Centers for Medicare & Medicaid Services (CMS) approved State Plan Amendment (SPA) 23-0011 on Feb. 27, 2024. This bulletin contains changes in SPA (23-0011) that impact reimbursement for nursing facility (NF) and hospice providers. Related proposed changes were announced in *Indiana Health Coverage Programs (IHCP) Bulletins* *BT202380* and *BT2023113*.

Resident-specific add-on in addition to daily per diem

The IHCP reimburses NF and hospice providers at a higher rate for members who receive certain specialized services. These specialized services include Alzheimer's and dementia care in a special care unit (SCU) and ventilator-dependent services.

Currently, the reimbursement for these services is embedded in the daily rate (per diem). With recent SPA approval from the CMS, effective for dates of service (DOS) on or after **July 1, 2023**, qualifying NF and hospice providers will be reimbursed for these services via a resident-specific add-on that is in addition to the daily per diem.

Resident-specific add-on reimbursement

The following revenue codes must be used for reimbursement for these add-on services:

- Revenue code 193 – *Special Care Unit residents with Alzheimer's or dementia*
  This SCU resident-specific add-on will be paid to qualifying facilities at a rate of $12 per eligible Medicaid resident day.
- Revenue code 199 – *Ventilator-dependent residents*
  This ventilator resident-specific add-on will be paid to qualifying facilities at a rate of $80 per eligible Medicaid resident day.

Nursing facility providers

NF providers that are determined by the Office of Medicaid Policy and Planning (OMPP) to qualify as special facilities will be eligible to receive the resident-specific add-on. Managed care entities (MCEs) will receive a list of the special facilities that will be eligible to receive the resident specific add-on. The list will also be posted on the Myers and Stauffer website (under Nursing Facility > Schedule Z (SCU and Vent) Approved Provider Listing).

NF providers that qualify for the SCU add-on must designate SCU residents with Alzheimer's or dementia by using revenue code 193 on the institutional claim (*UB-04* claim form or electronic equivalent). Use of revenue code 193 will trigger payment of the SCU add-on for qualifying residents.

NF providers that qualify for the ventilator add-on must designate ventilator-dependent residents by using revenue code 199 on the institutional claim. Use of revenue code 199 will trigger payment of the ventilator add-on for qualifying residents.

For NF providers to receive appropriate reimbursement, the specialized revenue codes of 193 or 199 must be billed as an additional detail line in addition to the applicable room-and-board revenue code.

NF providers bill room-and-board charges using the applicable room-and-board revenue code. Acceptable room-and-board revenue codes include 110, 120 and 130.

Hospice providers

Hospice billing and reimbursement for the resident-specific add-ons for SCU and ventilator services are addressed in this section.

Hospice providers are required to bill the nursing facility pass-through payment under the IHCP hospice benefit using:

- Revenue code 650 for routine home hospice care delivered in a nursing facility
- Revenue code 658 for continuous home hospice care delivered in a nursing facility
- Revenue code 659 for room and board for dually eligible nursing facility hospice members only

Hospice providers are to continue to bill hospice revenue codes 650, 658 or 659. When the hospice providers bill these revenue codes for services rendered at a qualifying nursing facility, they must designate SCU residents with Alzheimer's or dementia by using revenue code 193 on the institutional claim (*UB-04* claim form or electronic equivalent), in addition to billing for the nursing facility pass-through under the hospice using hospice revenue code 650, 658 or 659.

Use of revenue code 193 will trigger payment of the SCU add-on for qualifying residents. The SCU resident-specific add-on will be paid to qualifying facilities at a rate of $12 per eligible Medicaid resident day.

When hospice providers bill hospice revenue codes 650, 658 or 659 for services rendered at a qualifying nursing facility they must designate ventilator-dependent residents by using revenue code 199 on the institutional claim, in addition to billing for hospice revenue codes 650, 658 or 659 for nursing facility room-and-board services under the IHCP hospice benefit.

Use of revenue code 199 will trigger payment of the ventilator add-on for qualifying residents. The ventilator resident-specific add-on will be paid to qualifying facilities at a rate of $80 per eligible Medicaid resident day.

Hospice providers continue to pay the NF for the room-and-board pass-through per their contract. The hospice must reimburse the NF for the resident-specific add-on payment if this payment was also made on the hospice claim. The hospice will receive 100% of the reimbursement for the NF would have received for the NF resident add-on payment. The hospice must pass on this amount to the NF but should not pass on more than the amount received.

Claim processing

These changes are part of the SPA addressing resident-specific add-on reimbursement that was recently approved by the CMS. Providers will continue to be reimbursed according to the April 1, 2023, rates (which include any current add-ons to the per diem) until new rates are released and system updates are finalized.

Due to the retroactive nature of these changes, claim adjustments and/or resubmissions will be necessary to ensure appropriate reimbursements for rate changes as applicable:

- Providers that qualify for the resident-specific add-on that billed the appropriate revenue codes should look for mass adjustments for additional reimbursements retroactive to July 1, 2023, dates of service.
- Providers that qualify for the resident-specific add-on that did not bill the appropriate revenue codes will need to resubmit their claims with all applicable revenue codes. Timely filing limits will be waived for all providers for a specified time to be determined and announced in a future bulletin. Providers are still encouraged to submit claims as soon as possible.

Updated rate release timelines

The case-mix system of reimbursement is currently retroactively adjusted each quarter for changes in a patient's acuity level, for all IHCP residents in a Medicaid-certified or dually licensed Indiana nursing facility. With the recent SPA approval, processing and release of the NF retrospective rates for rate effective dates (REDs) of July 1, 2023; Oct. 1, 2023; and Jan. 1, 2024, will begin.

Retroactive rates – claim impacts

All affected claims will need to be evaluated for mass adjustments to apply rates according to these new REDs of July 1, 2023; Oct. 1, 2023; and Jan. 1, 2024. All claims for DOS within the range of these rate effective dates must be assessed for rate changes and adjusted accordingly to reflect the most current rate for the applicable RED.

These adjustments must also factor in reimbursement for the SCU and ventilator add-on payments for all affected and eligible claims for DOS on or after July 1, 2023.

Additional details regarding rate release dates and timely filing exceptions will be provided in an upcoming bulletin.

HIP MCEs and nursing facility provider billing

As announced in *IHCP Bulletin* [BT2023149](), effective Jan. 1, 2024, the rates for nursing facility services have been equalized to the reimbursement methodology established for Medicaid fee-for-service (FFS) as established by Myers and Stauffer.

NF providers will need to bill Healthy Indiana Plan (HIP) MCEs on the *UB-04* claim type. The Patient Driven Payment Model Health Insurance Prospective Payment System (PDPM HIPPS) code is no longer required as the associated reimbursement rates for payment of member nursing facility stay claims will be at the FFS rate.

The most current FFS rates as published by Myers and Stauffer are for a RED of April 1, 2023. These rates are applicable for claim DOS on or after Jan. 1, 2024. HIP MCEs that have not paid NF providers at the FFS rate will need to adjust all applicable claims.

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