IHCP *banner page*

INDIANA HEALTH COVERAGE PROGRAMS BR201231 JULY 31, 2012

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Complex Recovery Audit Contractor (RAC) audits approved for acute care hospitals

The Office of Medicaid Policy and Planning (OMPP) has authorized Health Management Systems (HMS) to perform diagnosis-related group (DRG) validation audits. The purpose of the DRG validation audits is to ensure that diagnostic and procedural information and the discharge status of the member, as coded and reported by the hospital on its claim, matches both the attending physician's description and the information contained in the member's medical record. The DRG validation audits will require review of medical records and will be conducted as desk reviews.

IHCP establishes maximum reimbursement for DME and supplies

Effective September 1, 2012, the Indiana Health Coverage Programs (IHCP) has established maximum reimbursement rates for certain durable medical equipment (DME) and medical supplies codes that were previously manually priced. This reimbursement change is in effect for all IHCP-enrolled members. The DME and medical supplies rates that have been established follow.

Reimbursement rates effective for dates of service on or after September 1, 2012

HCPCS procedure code	Modifier	Reimbursement rate	Description
A6540	NU	$60.44	Gradient compression stocking, waist length, 30-40 mmHg, each
E0247	NU	$85.37	Transfer bench for tub or toilet without commode opening
E0248	NU	$121.28	Transfer bench, heavy duty, for tub or toilet, with or without commode opening
E0328	NU RR	$5,407.41 $570.74	Hospital bed, pediatric, manual 360 degree side enclosures, top of headboard, footboard, and side rails up to 24 inches above the spring
E0329	NU RR	$5,907.41 $590.74	Hospital bed, pediatric, electric or semi-electric, 360 degree side enclosures, top of headboard, foot-board, and side rails up to 24 inches above the spring, including mattress
L3216	NU	$37.82	Orthopedic footwear, ladies' shoe, depth inlay, each
L3221	NU	$50.21	Orthopedic footwear, men's shoe, depth inlay, each
L3222	NU	$71.14	Orthopedic footwear, men's shoe, hightop, depth inlay, each

Effective for services provided on or after September 1, 2012, cost and retail invoices will no longer be required for the listed Healthcare Common Procedure Coding System (HCPCS) codes when submitting claims for payment. The appropriate modifier must be billed with the code for the claim to be properly processed. HCPCS codes E0328 and E0329 are capped rentals and will deny if:

- Total rental fees exceed the purchase price (error code 6085)
- Rental fees are billed for more than 15 months continuously (error code 6080)

The Fee Schedule on indianamedicaid.com will be updated to reflect these changes.

The OMPP establishes medical record limits for RAC audits

In response to the requirement established in the *Patient Protection and Affordable Care Act* (42 U.S.C. § 1320a-7k(d)) and the Final Rule (42 CFR 455, Subpart F), the Office of Medicaid Policy and Planning (OMPP) has determined medical record limits for Recovery Audit Contractor (RAC) audits of hospitals. Medical record request limits for Provider Type 01 – Hospital will follow these guidelines:

- The maximum limit is set per Legacy Provider Identifier (LPI).
- The RAC may request no more than 300 medical records per individual audit and no more than 600 medical records per calendar year per LPI.
- The RAC may not make requests more frequently than every 90 days.
- The OMPP may authorize the RAC to exceed the established limit. Affected providers will be notified in writing.

These limits apply exclusively to Medicaid RAC audits of hospitals. As additional Medicaid RAC audits are identified and approved for other provider types, limits appropriate to each respective area will be determined by the OMPP and shared with providers and stakeholders.

To further meet the *Patient Protection and Affordable Care Act* (PPACA) requirements, Peter J. Gurk, M.D., C.P.E, who has been licensed in Indiana since 2006, will support the Indiana RAC Team in his capacity as medical director.

The IHCP to eliminate reimbursement for salivary estriol test

Effective for dates of service on and after October 1, 2012, the Indiana Health Coverage Programs (IHCP) will eliminate reimbursement for Healthcare Common Procedure Coding System (HCPCS) code S3652 – *Saliva test, hormone level*. This test is obsolete and considered investigational for the assessment of preterm labor risk and will no longer be covered. The IHCP covers other tests that can determine preterm labor. This code will appear on the Fee Schedule on indianamedicaid.com as “noncovered.”

CPT code 46288 linked to revenue code 490

Effective October 1, 2012, the Indiana Health Coverage Programs (IHCP) has linked Current Procedural Terminology (CPT®[1]) code 46288 – *Repair of anal fistula with rectal advancement flap* to revenue code 490 – *Ambulatory Surgical Center (ASC)*. As appropriate, providers may bill this procedure code together with this revenue code for dates of service on or after October 1, 2012.

Watch for the next ICD-10 IHCP Provider Survey!

The Indiana Health Coverage Programs (IHCP) continues to prepare for ICD-10 implementation. It is critical for IHCP providers to prepare, as well. To help us better understand the progress and needs of the provider community, the fourth ICD-10 IHCP Provider Readiness Survey will release Tuesday, August 7, on indianamedicaid.com. We encourage all providers to participate. The survey takes only a few moments to complete and will be available through August 21.

QUESTIONS?

If you have questions about this publication, please contact Customer Assistance at (317) 655-3240 in the Indianapolis local area or toll-free at 1-800-577-1278.

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