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To All Providers:

- This article informs Indiana Health Coverage Programs (IHCP) providers of new batch ranges that have been added to IndianaAIM. IHCP claims are identified, tracked, and controlled using a unique 13-digit internal control number (ICN) that is assigned to each claim. The ICN numbering sequence identifies when EDS received the claim, the claim submission media used, and the type of claim. In addition, the ICN identifies the batch range, which is a three digit numbering sequence for that particular claim. Different claim types are assigned specific batch ranges to assist in identifying, tracking, and controlling claim inputs. Currently, the IHCP limits the number of claims, per claim type, per day that can be assigned, therefore, creating a delay to the assignment of an ICN. To assign an ICN to all claims that are received per day, the IHCP is modifying the batch ranges. This updates information published in the *ICHP Provider Manual, Chapter 10, Section 2*.

Claims submitted as of Monday, August 29, 2005, will use the new batch range identified below. IHCP providers will begin to notice the new batch ranges on remittance advice (RA) statements beginning September 6, 2005. The new batch ranges are identified in the following table:

| Claim Type | Batch Range |
|-------------------------------|-------------|
| UB-92 Institutional Crossover | 000-009 |
| UB-92 Outpatient Crossover | 010-029 |
| CMS-1500 Crossover | 030-089 |
| Dental | 090-109 |
| Inpatient | 110-139 |
| Outpatient | 140-199 |
| Long Term Care | 200-279 |
| Home Health | 280-299 |
| CMS-1500 | 600-899 |
| Financial | 900-999 |

For additional questions, contact EDS customer assistance at 1-800-577-1278 or (317) 655-3240.

- The annual update of the International Classification of Diseases, Ninth Revision, Clinical Modification (ICD-9-CM) is effective for the IHCP beginning on October 1, 2005. The new, revised, and discontinued codes may be viewed at <http://www.cms.hhs.gov/medlearn/icd9code.asp>.

To ensure Health Insurance Portability and Accountability Act (HIPAA) compliance, the 90-day grace period will no longer apply to ICD-9-CM updates. Providers are to use the ICD-9-CM diagnosis and procedure codes that are valid for the date of service. Codes not valid for the dates of service will deny. The ICD-9-CM diagnosis and procedure codes are billable and reimbursable October 1, 2005. For questions contact EDS Customer Assistance at (317) 655-3240 in the Indianapolis local area, or toll free at 1-800-577-1278.

To All Durable Medical Equipment Providers:

- Currently, providers bill both adjustable and nonadjustable seat cushions using the same Healthcare Common Procedural Coding System (HCPCS) codes. Adjustable cushions have all of the characteristics of a skin protection seat cushion (E2603 and E2604) or skin protection and positioning seat cushion (E2607 and E2608); however, they are also adjustable. Adjustments are made by adding or removing significant quantities of air, liquid, gel, or other fluid medium in physiologically appropriate areas of the cushion to promote pressure reduction.

New, more descriptive procedure code modifier combinations have been developed for billing adjustable seat cushions. Medicare currently utilizes four definitions for adjustable seat cushions, each billed with procedure code K0108. The IHCP has mirrored this policy by creating four PICS with unique definitions for each type of adjustable seat cushion. The new coding and pricing information for adjustable seat cushions is listed in **Table 1** and will be effective September 30, 2005. The coding and fee schedule for all other wheelchair seat cushions will remain the same.

Table 1 – Adjustable Seat Cushion Codes Effective September 30, 2005

| Code | Description | Pricing |
|-------------|---|----------|
| K0108 U1 NU | Skin protection wheelchair seat cushion, adjustable, width less than 22 inches | \$330.81 |
| K0108 U2 NU | Skin protection wheelchair seat cushion, adjustable, width greater than or equal to 22 inches | \$389.54 |
| K0108 U3 NU | Skin protection and positioning wheelchair seat cushion, adjustable, width less than 22 inches | \$378.68 |
| K0108 U4 NU | Skin protection and positioning wheelchair seat cushion, adjustable, greater than or equal to 22 inches | \$435.56 |

Adjustable cushions are purchase-only items. Providers must attach the NU modifier when billing adjustable seat cushions. The adjustable cushions do not have to be listed on the Statistical Analysis Durable Medical Equipment Regional Carrier (SADMERC) classification list in order to be reimbursed by the IHCP.

Providers should direct questions to customer assistance at (317) 655-3240 in the Indianapolis local area or 1-800-577-1278.

To All Nursing Facility and Hospice Providers:

- The IHCP has begun making retro rate adjustments to nursing home rates for the nursing facility quality assessment fee in late July 2005. The purpose of this article is to explain the quality assessment fee and the impacts for hospice providers. The change in nursing facility rates due to the quality assessment fee will result in retro rate adjustments for room and board to hospice providers retroactive to July 1, 2003. Therefore, hospice and nursing home providers are reminded that all coordination and payment arrangements regarding room and board under the hospice benefit should already be reflected in the hospice contract with the nursing facility.

The nursing facility quality assessment is a result of *P.L. 224-2003* enacted by the 2003 Session of the Indiana General Assembly. *P.L. 224-2003* specifies that the Office of Medicaid Policy and Planning (OMPP) shall collect a quality assessment fee from nursing facilities, and those funds are used in part to increase nursing facility reimbursement. Based on the approval that the OMPP received from the Centers for Medicare and Medicaid Services (CMS), these changes are effective retroactive to July 1, 2003. Over the next few months, the nursing homes enrolled in the IHCP will receive revised rate notices for all rate effective dates covering the periods of July 1, 2003, to the present. The revised rates contained in these notices will supersede the previously established rate for the corresponding time period. After all of the rates for prior periods have been recalculated using the new methodology, current and future rates will be reviewed and processed as usual. Any hospice claims that reflect room and board payment as billed under hospice revenue codes 653, 654, 659, 183, and 185 for service dates July 1, 2003, to present will be included in this retro rate adjustment for the quality assessment fee and will be subject to the payment parameters for the hospice benefit.

Federal regulations under *OBRA 89* and state regulations at *405 IAC 1-16-4* require Indiana Medicaid to pay the hospice directly any nursing facility room and board payments for service dates the member was under hospice care; and then the hospice pays the nursing home according to their contract. The hospice room and board adjustments for the nursing facility quality assessment will be handled no differently than any other Medicaid

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payment or adjustment for room and board in which the IHCP pays the hospice 95 percent of the nursing home rate on file to the hospice and the hospice then pays the nursing home according to their contract. The Office of the Inspector General (OIG) has indicated that hospices may pay a nursing facility up to 100 percent of the nursing home daily rate without raising concerns about fraud or kickbacks. The quality assessment fee will result in an increase in the nursing facility rate and the hospice will need to pay the nursing home according to their contract.

For example, if hospice A has a contract with nursing home A to pay 100 percent of the nursing home rate on file, hospice A will need to honor that payment arrangement when the hospice claim is adjusted for the nursing home quality assessment. For example, assume that nursing home A's rate was originally \$100.00, and the nursing facility quality assessment fee changed the rate to \$120.00. When the hospice claim is adjusted through the retro rate process, the hospice room and board will pay at \$114.00 (95 percent of the nursing home rate); however, hospice A will be required to pay nursing home A the \$120.00 according to their contract.

To facilitate the payment of the nursing facility quality assessment fee retro rate adjustments, EDS plans to pull the hospice claims out of the retro rate cycle. The hospice claims adjustments will be processed through a mass claims adjustment. The nursing facility retro rates will be processed within a 12-week cycle. The hospice mass claims adjustments will be processed following the 12-week nursing facility retro rate cycles, which is estimated to begin in mid-October. Hospice providers will be able to identify the mass claims adjustments as a result of the nursing facility quality assessment by noting that their remittance advice will have an internal control number (ICN) starting with the number 56. Hospice mass claims adjustments with an ICN starting with 56 are to be distinguished from hospice retro rate adjustments starting with 55. Hospice providers are reminded that hospice mass claims adjustments are system-generated adjustments that do not require hospice providers to initiate a paper claims adjustment process. If EDS determines that there is a better process to expedite the retro rate adjustments for nursing facilities and hospices with regard to the nursing facility quality assessment, the IHCP will notify providers of this change by banner page.

If hospice or nursing facility providers have any questions regarding the reimbursement process for hospice room and board mass claims adjustments as a result of the nursing facility quality assessment, they may contact Michelle Stein-Ordonez of the OMPP at (317) 233-1956 or Karie Millard at Myers and Stauffer at (317) 846-9521. If a hospice has any questions regarding hospice retro rate adjustments starting with an ICN 55, or hospice mass claims due to nursing facility quality assessment starting with an ICN 56, the hospice provider may contact their EDS provider field consultant. Hospice providers may identify their EDS provider field consultant by viewing the August 2005 IHCP Newsletter at www.indianamedicaid.com.

To All Pharmacies and Prescribing Providers:

- A mass adjustment for pharmacy claims incorrectly adjudicated by ACS will be conducted during the week of September 10, 2005. These claims were associated with the State MAC program and were adjudicated between March 23, 2003 and June 2005. The affected claims included both underpayments and overpayments. Questions related to this mass adjustment should be directed to the ACS Pharmacy Services helpdesk at 1-866-645-8344 or via e-mail at Indiana.providerrelations@acs-inc.com.

The mass adjustment amounts will be reflected in the weekly remittance advice (RA) and will be assigned to region 56. Providers who disagree with the adjustments may request an administrative review by writing to the following address:

EDS – Pharmacy Administrative Review
Written Correspondence
P.O. Box 7263
Indianapolis, IN 46207-7263

The request should include an explanation of the reason for disagreement and include copies of all pertinent supporting documentation. Refer to *Chapter 10, Section 6* of the *IHCP Provider Manual* for more information about the administrative review and appeal process.

- Effective January 1, 2006, the CMS is implementing the new Medicare prescription drug coverage. This coverage, also known as Medicare Part D, is a new benefit to help Medicare members pay for prescription drugs.

The IHCP Web site now includes a new section titled *Medicare Prescription Drug Coverage*. Providers should visit this section periodically at <http://www.indianamedicaid.com/ihcp/ProviderServices/medicareD.asp> for the

latest information. The annual IHCP Seminar and fourth quarter provider workshops will include materials and training about the new Medicare prescription drug benefit.

For more information about the Medicare prescription drug benefit visit the CMS Web site at <http://www.cms.gov/medicarereform/>

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