ED Leadership: Facility Reimbursement

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Shared Goals

- ED directors and nurse managers share common goals
  - Smooth functioning Emergency Department
  - Adequate resources
  - Top notch clinical care
  - Satisfied patients

Requires Adequate Revenue!

ED Realities

- We care for anyone, with anything, at anytime
- We do it all…sometimes with very little

“ I have been doing so much for so long with so little I can now do anything with nothing.”

– Ancient proverb?

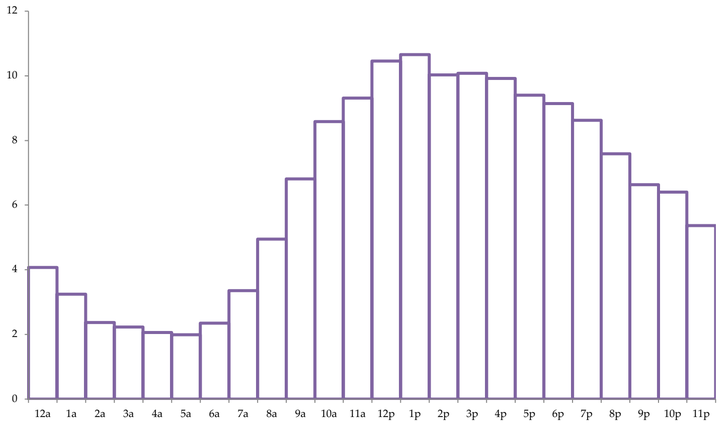
Average ED team during the COVID surge

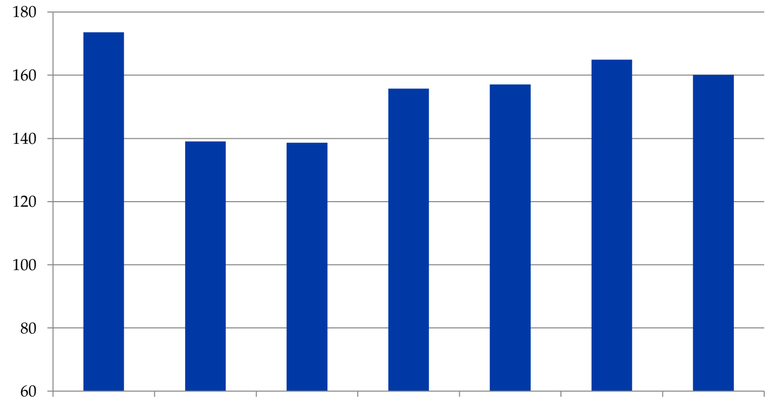
ED Costs and Revenue

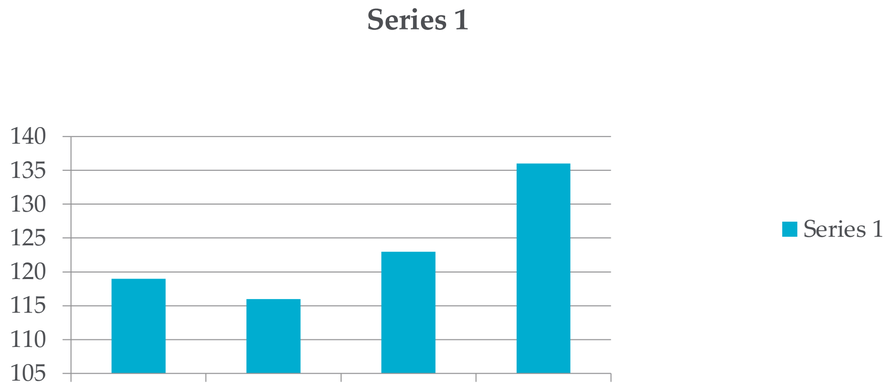
- Currently resources are stretched
- Often need for additional resources
  - Staffing for acuity, volume surge, boarding

- The ED can help find their own resources
- Create an ED culture of getting paid for the work that is being done

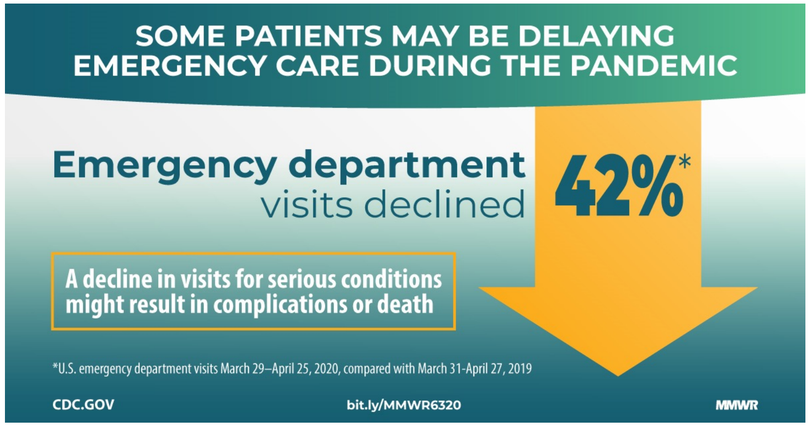
ED Was Already a Challenging Fiscal Environment







Our Reality Needs a Revenue Solution



How Your ED Generates Revenue

ED Facility Level Assignment

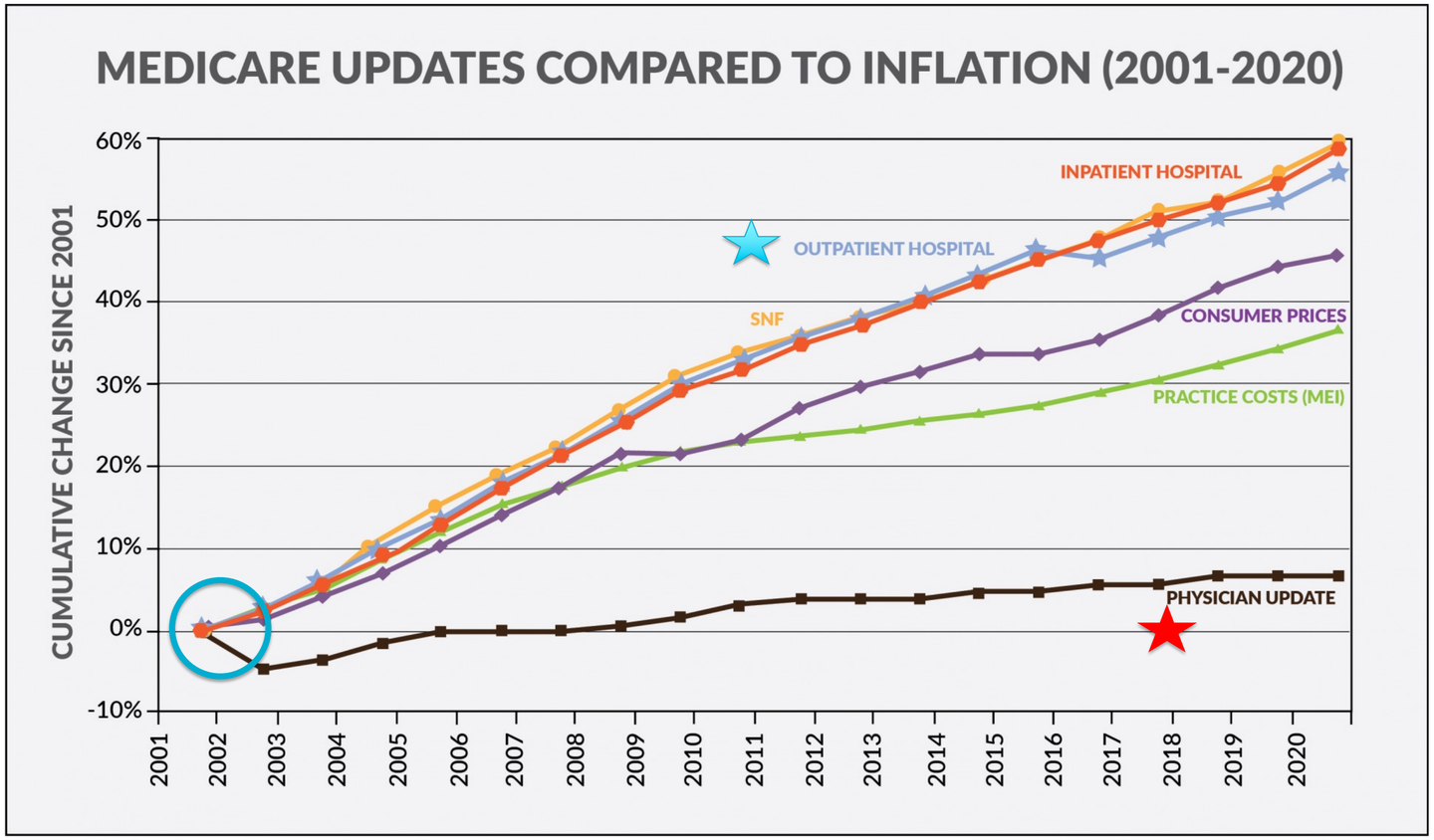
"CMS has instructed hospitals to report facility resources for clinic and emergency department visits using CPT E/M codes and to develop internal hospital guidelines to determine what level of visit to report for each patient." **2008 OPPS Final Rule**

"In the absence of national visit guidelines, hospitals have the flexibility to determine whether or not to include separately payable services as a proxy to measure hospital resource use that is not associated with those separately payable services" **2008 OPPS Final Rule**

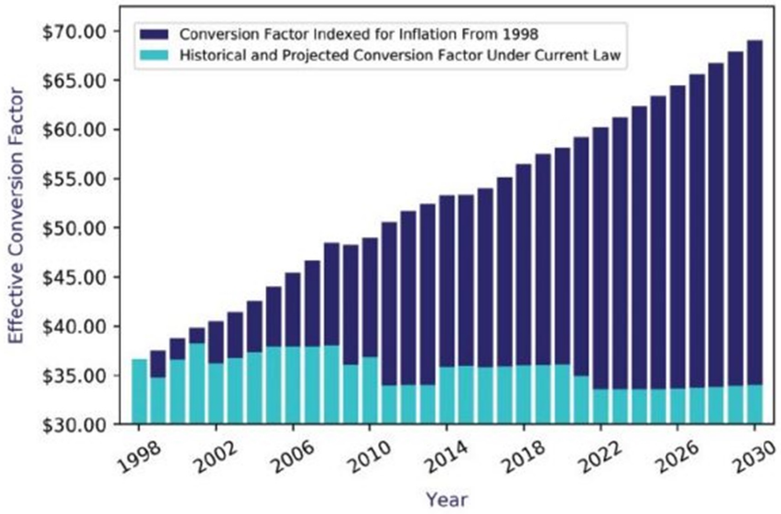
2023 Facility ED E/M Level Reimbursement Stable and Increasing!

Facility Level	APC	2022	2023
99281	5021	$74.08	**$75.09**
99282	5022	$134.15	**$139.69**
99283	5023	$236.35	**$245.03**
99284	5024	$371.52	**$381.61**
99285	5025	$533.27	**$548.11**
99291	5041	$760.74	**$767.72**

Professional vs. Facility Revenue: Not Keeping Up



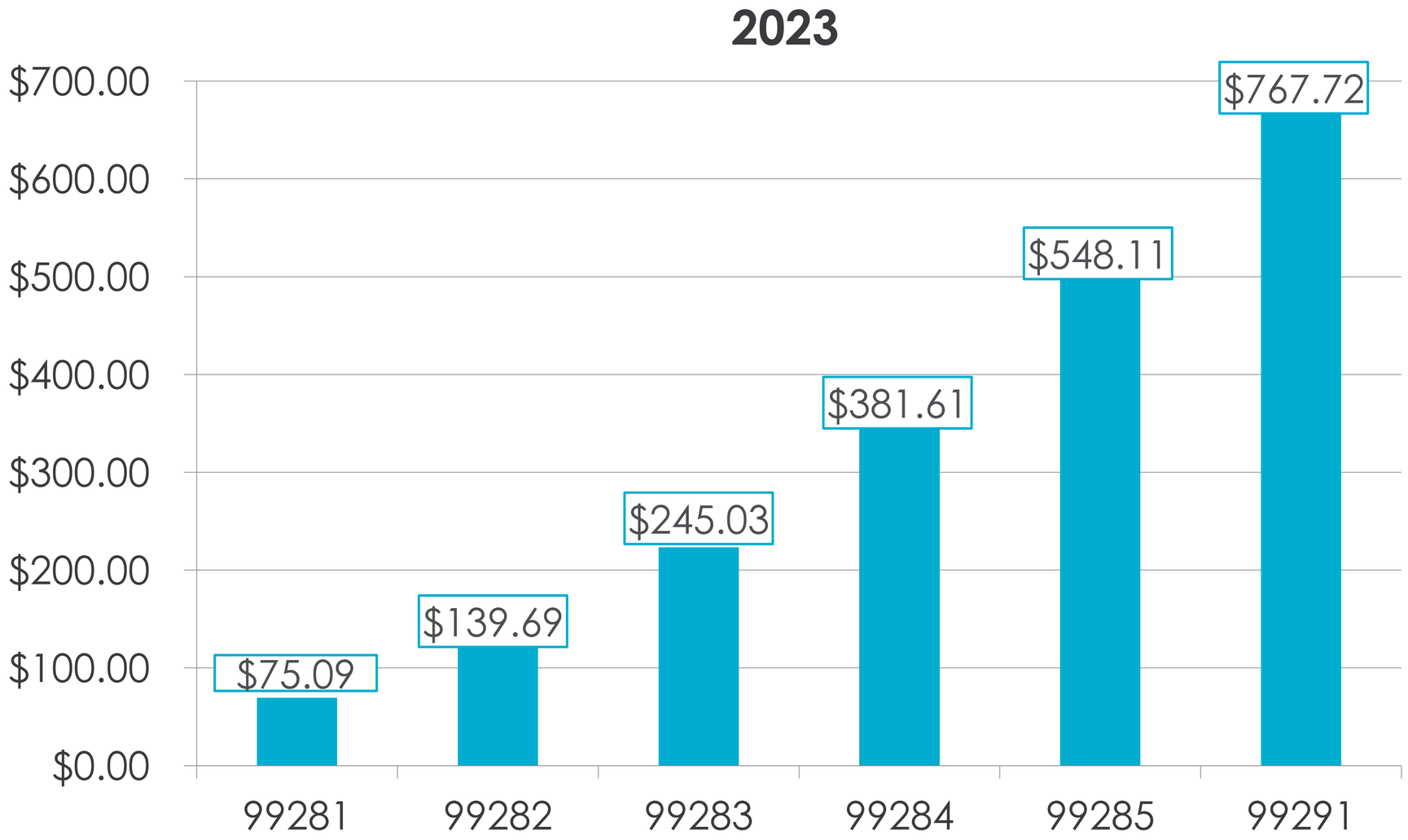
Sources: Federal Register, Medicare Trustees' Reports and U.S. Bureau of Labor Statistics



2023 OPPS Facility Payment Update

- Increase in OPPS rates of 3.8% in 2023
- CMS 2023 OPPS Payments
  - $86.5 billion
  - Increase of approximately $6.5 billion over 2022
- Conversion factor
  - 2019 CF $79.490
  - 2020 CF $80.784
  - 2021 CF $82.797
  - 2022 CF $84.177
  - **2023 CF $85.585**

2023 Facility Level Reimbursement



Accurate Charge Capture: Facility E/M Levels

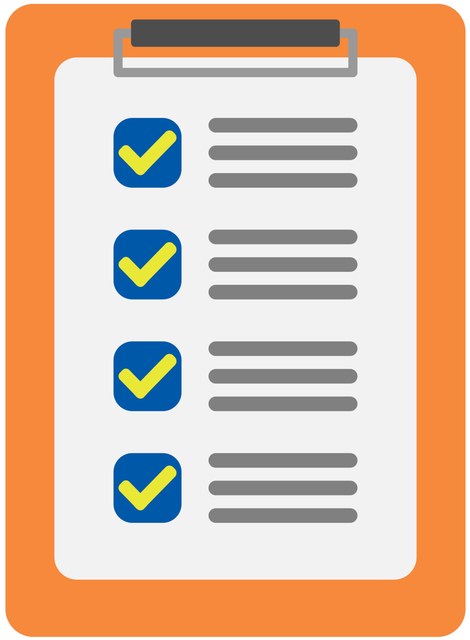
E/M Level Determination 11 Guiding Principles: CMS 2008 OPPS Guidance

1. The coding guidelines should reasonably relate the intensity of hospital resources to the different levels of effort represented by the code.
2. The coding guidelines should be based on hospital facility resources. The guidelines should not be based on physician resources.
3. The coding guidelines should be clear to facilitate accurate payments and be usable for compliance purposes and audits.
4. The coding guidelines should meet the HIPAA requirements.
5. The coding guidelines should only require documentation clinically necessary.
6. The coding guidelines should not facilitate upcoding or gaming.
7. The coding guidelines should be written.
8. The coding guidelines should be applied consistently across patients.
9. The coding guidelines should not change with great frequency.
10. The coding guidelines should be readily available for review.
11. The coding guidelines should result in coding decisions that could be verified by other hospital staff, as well as outside sources.

CMS OPPS Final Rule pages 872-873

Four Common Facility E/M Scoring Models

1. Number and Type of interventions
2. Time staff spent with patient
3. Point system based on Time and Intensity
4. EHR algorithm



99282

Interventions

- Tests by ED staff:
  - Urine dip
  - Accucheck
- Visual acuity
- Simple DC instructions
- Simple procedures
  - Minor laceration
  - Simple abscess

Examples

- Localized skin rash
- Ear pain
- Conjunctivitis
- Simple trauma
  - No x-rays

99284

Interventions

- Plain X-ray multiple areas
- MRI, CT, VQ Scans, US
- Cardiac Monitoring
- Multiple Reassessments
- Parenteral Medications
- 2 Nebulizer treatments
- Pelvic Exam
- Parenteral medications
- Discharge Instructions Complex

Examples

- Dehydration req. treatment
- Vomiting req. treatment
- Dyspnea -requiring meds
- Non-menstrual vaginal bleeding
- Musculoskeletal Trauma
- Respiratory Illness 2 nebs
- 2 diagnostic tests
  - Abdominal Pain
  - Chest pain

99284 Vignette

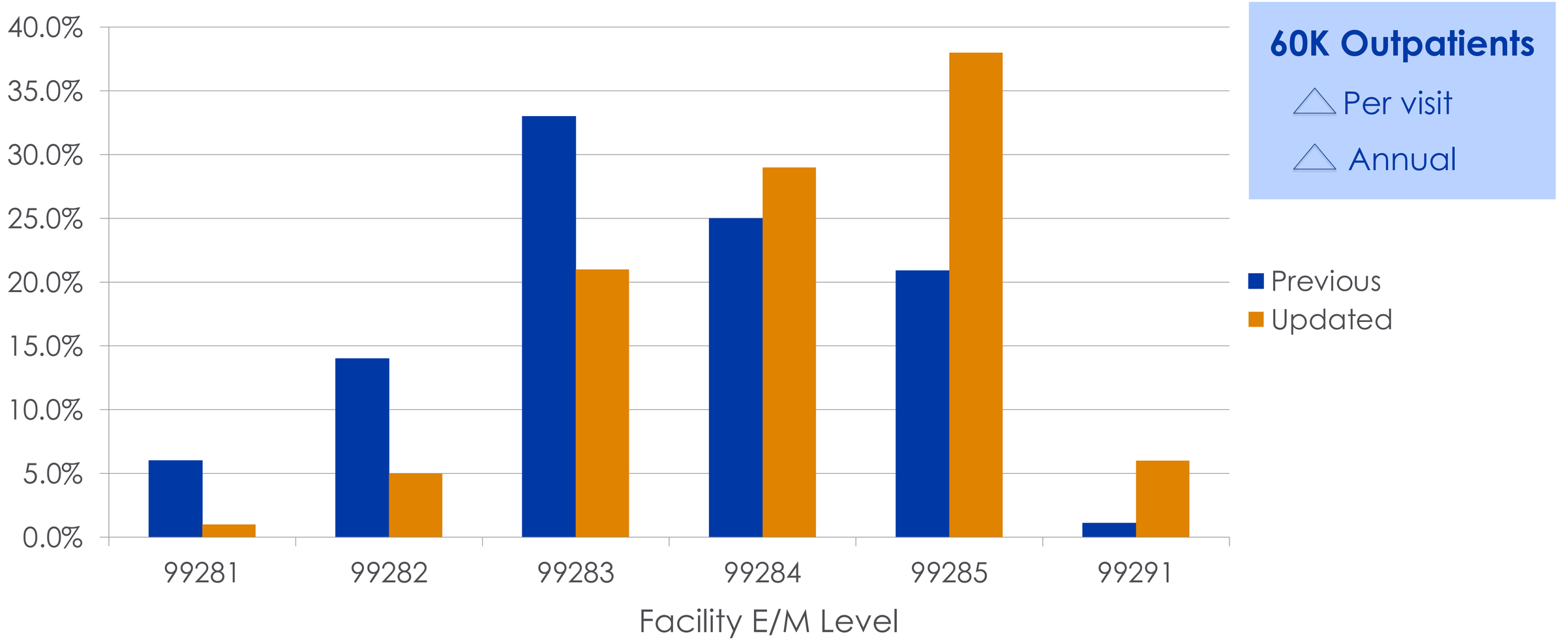
- 37-year-old with right flank pain
- IV pain medication given
  - Non-narcotic
- CT scan of abdomen/pelvis
  - No nurse monitoring required during study
- Prescription provided for pain

Take-home project- 50 chart review

Case Experience
Updating a Time-Based System

- 40,000 visit ED
- ED charges assigned by nursing
- HIM using an old algorithm
- Significant dollars lost
- Application of appropriate EM scoring tool
  - Interventions and Intensity

Impact of Facility Guideline Coding System Outpatient



2023 Reimbursement Stable: Hydration/Medication Administration Services

Code	Service	2022 Payment	2023 Payment
96360	Hydration	$208.93	$206.57
96361	Hydration+	$40.87	$42.37
96365	Infusion	$208.93	$206.57
96366	Infusion+	$40.87	$42.37
96374	IV Push	$208.93	$206.57
96375	IV Push +	$40.87	$42.37

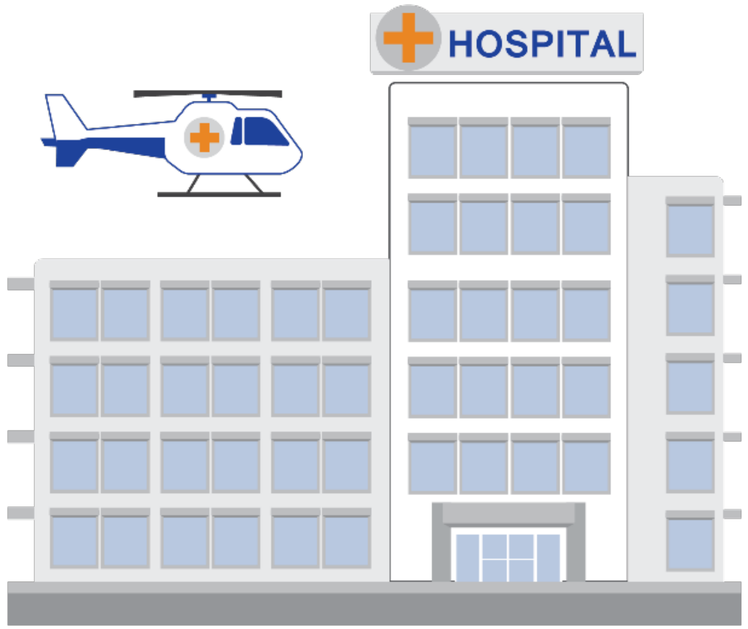
2023 Facility Procedure Charge Capture

- Reported using CPT codes, not DX codes
- May not be area of focus for DRG coders
- Capture them all
  - ED physician
  - **Consultant**
  - Nurse

Code	Procedure	Payment
23650	Shldr. dislocation	$207
10061	Abscess	$373
32551	Chest tube	$1,488

2023 Trauma Activation

- Requires pre-hospital notification
- State or ACS trauma designation
- Medicare requires critical care
- No significant 2023 changes
- Specific code
  - HCPCS G0390
  - APC 5045 $1151.54



Increased Packaging of Services

Private Payer Bundled Payments Gaining Steam

Bundled payments reduce surgery costs by 10.7%

Rand Health Affairs

- Medium sized businesses contracting directly, single bundled fee
- Review of 2,372 procedures 2016-2020
- Joint replacement, spinal fusion, GI surgeries
- $4,229 per episode saved
- Quality was the same or slightly improved

Government Payer Bundled Payments Gaining Steam

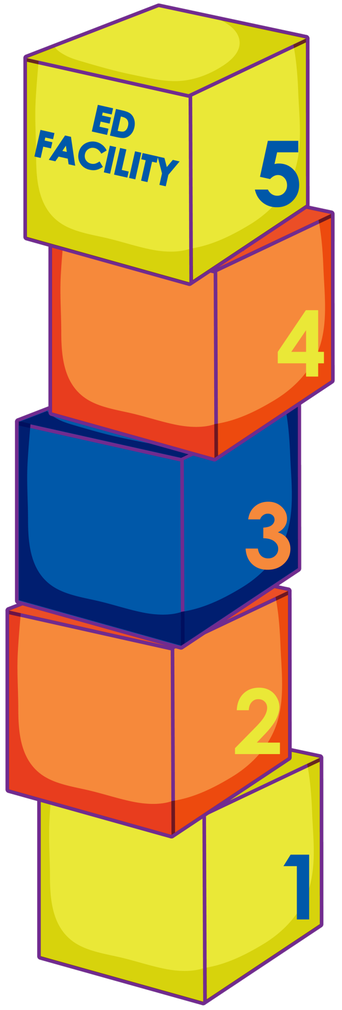
Connecticut launches bundled-payment program for employee health plan

- Connecticut's employee health plan cost the state $1.3 billion
  - Connecticut faces a deficit of over $2 billion
  - 220,00 state employee heath plan members
- Launching bundled payments with hospitals and physician groups
- Determined current average cost and quality
- Imputed savings that is shared between the state and providers

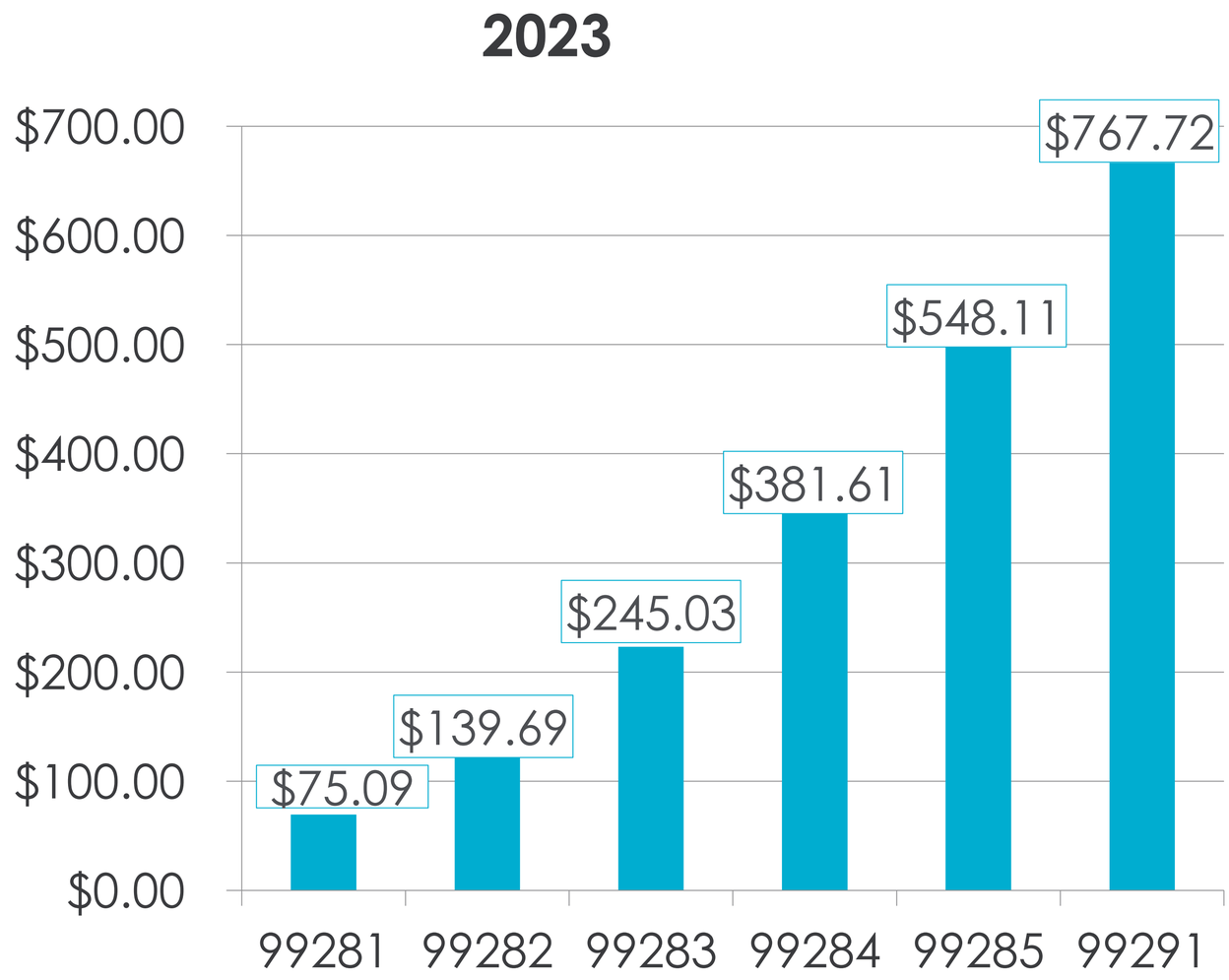
Modern Healthcare

Future ED Facility Payment Construct

- No national ED facility guidelines
- Payment continues for 5 distinct ED levels
- Each level is paid at a unique rate which increases with each level
- Level assignment and accurate charge capture matter
- More and more is bundled into the payment for each level



2023 Facility Level Reimbursement



Increased ED Packaging: Why?

OPPS Final Rule

"The OPPS packages payments for multiple interrelated items and services into a single payment to create incentives for hospitals to furnish services most efficiently and to manage their resources with maximum flexibility. Our packaging policies support our strategic goal of using larger payment bundles in the OPPS to maximize hospitals' incentives to provide care in the most efficient manner."

OPPS final rule, page 90/1312

2023 ED Packaging Continues

2023 OPPS Final Rule

"For CY 2023, we did not propose any changes to the overall packaging policy previously discussed. Our packaging policies support our strategic goal of using larger payment bundles in the OPPS to maximize hospitals' incentives to provide care in the most efficient manner."

2023 OPPS Final Rule, page 90/1764

2023 ED Packaging Technical Detail

- ED E/M Services as Status Indicator V will package many services
- Q1 Status Indicator
  - Packaged with S, T, or V
  - Many laceration repairs
- Packaging continues to increase
  - Minor procedures (e.g., lacerations Q1)
  - Foley, TC of EKG (Q1)
- Highlights importance of E/M leveling

99285

Interventions

- MRI, CT, VQ Scans, US
  - With multiple tests
- Blood Transfusion
- Moderate Sedation
- Complex procedures
  - LP, central line
- 1:1 sitter

Examples

- 3 diagnostic tests
  - Abdominal pain
  - Chest pain
- Asthma
  - 3 or more nebs
  - Major musculoskeletal injury

99285 Vignette

- 8 y.o. male with right sided abdominal pain and temp to 100.5.
- Work up includes:
  - CBC
  - UA micro
  - Abdominal sonogram
- Work up is negative and patient is discharged home for PMD follow up

99285 Vignette

- 38 y.o. female with upper abdominal pain
- Work up includes:
  - CBC, chem 12, lipase
  - UA, urine bhcg
  - Abdominal sonogram
  - Ekg, CXR, Troponin
  - Sonogram is inconclusive and radiologist recommends CT
    - CT abdomen/pelvis performed
- Work is negative and patient is discharged home for PMD follow up

Conclusions: Correct ED Charge Capture

Review Annually

- Consistency of documentation
- Updated Chargemaster
- E/M level assignment tool
- Procedure charge capture
- Medication Services and Trauma Care
- Coding review with aggregate data or chart audit
  - Take Home Project!

Contact Information

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Educational Appendix

ED Facility E/M levels: Background

- "Prospective Payments System" legislated in Federal Balance Budget Act of 1997
  - Outpatient services paid under OPPS since 2000
  - Movement away from cost plus
  - Incentive for efficient care
  - CMS implemented with APCs
- Each level paid different amounts
- Type A ED
  - Type B ED (not open 24/7)
- Many procedures are paid separately

CMS OPPS Final Rule: New Guidelines Would Be "Disruptive"

Response: As we have in the past (74 FR 60553 and 75 FR 71989 through 71990), we acknowledge that it would be desirable to many hospitals to have national guidelines. However, we also understand that it would be disruptive and administratively burdensome to other hospitals that have successfully adopted internal guidelines to implement any new set of national guidelines while we address the problems that would be inevitable in the case of any new set of guidelines that would be applied by thousands of hospitals. We will continue to regularly reevaluate patterns of hospital outpatient visit

ED Facility Revenue Chain
Key Impact Points

- Facility E/M Leveling
- Medication Capture
- Procedures

Hydration, Injection and Infusion Services

IV Services Defined

- **Injection/Push-IV** medication given over less than 15 minutes
- **Infusion**-IV medication given over 15 minutes or more
- **Hydration**-prepackaged IV fluids
  - 31 minutes to 1 hour
- Time based codes - need start/stop times
- Coding Hierarchy:
  - Infusion > Injection > Hydration

IV Services: Revenue Opportunities

- Services must be documented well
- Chart construct should support hydration, injection, and infusion
- Time-based codes
- Adjust nurse documentation tool
- Collaborate with nurses
- Review 50 records

2023 Hydration Vignette: Documentation Importance

3-year-old, 20 kg child presents with vomiting and diarrhea. Gastroenteritis treated with IVF followed by a physician and nurse reassessment.

- Nurse's notes document a total of 400ml of IVF. No time is documented.
  - No code can be reported
  - No reimbursement for the service
- <u>More accurate clinical documentation</u>
- Nurse's notes document a 400 ml bolus over 1 hour
  - **96360 = $206.57 in appropriate revenue**

2023 Critical Care

No Significant Changes:

*"We also proposed to **continue our payment policy for critical care** services for CY 2023. For a description of the current payment policy for critical care services, we refer readers to the CY 2016 OPPS/ASC final rule with comment period (80 FR 70449), and for the history of the payment policy for critical care services, we refer readers to the CY 2014 OPPS/ASC final rule with comment period (78 FR 75043)."* **2023 OPPS final rule, page 715/1764**

- Reported with 99291
- APC 5041 was new for 2016 and remains unchanged in 2023
- 2023 payment $767.72

CMS OPPS Final Rule: Procedures Can Be Counted

In the absence of national visit guidelines, hospitals have the flexibility to determine whether or not to include separately payable services as a proxy to measure hospital resource use that is not associated with those separately payable services.

OPPS Final Rule page 877

2023 ED Facility Guidelines Update

- 2023 CMS has demonstrated they are satisfied with the current ED Facility E/M process
- No anticipated changes to the reporting of ED services
- For quite a few years CMS has simply stated they are continuing with current policies

> *"For 2023, we proposed to continue with our current clinic and emergency department (ED) hospital outpatient visits payment policies. For a description of the current clinic and hospital outpatient visits policies, we refer readers to the CY 2016 OPPS/ASC final rule with comment period (80 FR 70448)."*
>
> ***2023 OPPS Final Rule, page 715/1764***

2023 No National ED Facility Guidelines

While several years ago CMS had shown intent to explore a single set of national ED facility guidelines, going back to the 2016 final rule, CMS stated that this had been a complex endeavor and that it did not have a time table for creating national guidelines.

> *"Our own knowledge of how clinics operate, have led us to conclude that it is not feasible to adopt a set of national guidelines for reporting hospital visits that can accommodate the enormous variety of patient populations throughout the country."*
>
> **2016 OPPS final rule, page 593/1221**

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