Follow-up to “2013 Outpatient Reimbursement Changes to Implement January 1, 2014”

Information posted November 22, 2013

This is a follow-up to the article titled “2013 Outpatient Reimbursement Changes to Implement January 1, 2014,” which was published on this website on October 14, 2013. Details are now available for the changes to reimbursement for outpatient hospitals and the resulting claims reprocessing for Texas Medicaid.

Reimbursement Rate Reductions:

Effective for dates of service on or after September 1, 2013, reimbursement rate reductions will change for the following:

- Hospitals other than children’s hospitals, rural hospitals, or state-owned teaching hospitals
- Emergency room service for non-emergencies

Rate Reduction for Hospitals Other Than Children’s Hospitals, Rural Hospitals, or State-Owned Teaching Hospitals

The following table shows the change to the reimbursement rate reduction that will apply to outpatient services at most hospitals for dates of service on or after September 1, 2013:

<table>
<thead>
<tr>
<th>Facility</th>
<th>Volume</th>
<th>Reduction on or before August 31, 2013</th>
<th>Reduction on or after September 1, 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hospitals other than children’s hospitals, rural hospitals, or state-owned teaching hospitals</td>
<td>High volume</td>
<td>76.03%</td>
<td>72.00%</td>
</tr>
<tr>
<td></td>
<td>Non-high volume</td>
<td>72.27%</td>
<td>68.44%</td>
</tr>
</tbody>
</table>

Note: There will be no additional rate reduction applied to children’s hospitals, rural hospitals, or state-owned teaching hospitals for outpatient services. The rates will remain at 76.03 percent for high-volume hospitals, and 72.27 percent for non-high-volume hospitals.

Rate Cutback for Emergency Room Services for Non-emergencies

Effective for dates of service on or after September 1, 2013, reimbursement for non-emergent and non-urgent services that are rendered by hospitals during an emergency room visit will be limited to 125 percent of the adult, physician office visit fee for procedure code 99202.

The reimbursement reduction will not apply to services that were rendered to address the following:

- Problems of high-severity
• Problems that require urgent evaluation by a physician
• Problems that pose immediate and significant threats to physical or mental function
• Critical illness or injury

Note: This change to the reimbursement rate does not apply to rural hospitals, which will continue to have non-emergent and non-urgent services performed in an emergency room reimbursed at a 40 percent reduction of the emergency room rates.

Claims Reprocessing

TMHP will apply the rate changes to the claims processing system effective December 14, 2013. Claims with dates of service from September 1, 2013, through December 13, 2013, will be reprocessed, and overpayments may be deducted from future payments (i.e., recouped). All deductions will be reflected on Remittance and Status (R&S) Reports.

For more information, call the TMHP Contact Center at 1-800-925-9126