

## **Outpatient Prospective Payment System (OPPS) Reimbursement Quarter Update Notice for MSBCBS Hospitals**

For Providers that are reimbursed under the Mountain State Blue Cross Blue Shield (MSBCBS) OPPS Methodology, please use the below guide as a tool when verifying reimbursement from (MSBCBS). Please pay attention to the claim date of service and the claim process date to determine the calendar quarter rates and logic published by the Centers for Medicare and Medicaid Services (CMS) that is applicable based upon the date spans outlined in the table below.

The changes that CMS makes to APC's and OPPS occur quarterly with the most significant changes made at the start of each calendar year. The updates made on an annual basis include but are not limited to:

- updated hospital specific components such as wage indices and Outpatient Ratio of Cost to Charge [CMS RCC];
- residual payment component updates such as fee schedules;
- recalculated APC relative weights ;
- updates to the conversion factor ;
- updated definitions of APCs and status indicators ;
- added or deleted APC codes and status indicators ;
- updated outlier payment formula; and
- policy revisions including edits and coding criteria.

Updates made at the start of each calendar quarter throughout the year include but are not limited to:

- coding revisions;
- edit revisions;
- APC changes; and
- other payment or policy changes/updates.

MSBCBS reviews quarterly updates by CMS for any new or revised APC logic and assignments for potential impacts to payment policies.

Consistent with the approach taken by MSBCBS for the DRG modifications issued by CMS, a delay of up to 90 days is expected for the implementation of the OPPS updates to occur. Contingent upon receipt of the software supplied by a third party, MSBCBS will initiate system updates within a reasonable period of time. Claims will not be subject to re-processing when updates occur.

**Once MSBCBS has loaded the CMS OPPS base rates for the date of service incurred on a claim, if the claim is processed after such date, it will receive the CMS OPPS base rate for the quarter in which the service was incurred.** For example, a claim with a January 2, 2008 date of service received and processed on July 14, 2008 will receive CMS 1<sup>st</sup> quarter 2008 base rates.

The table below will be modified as quarterly and annual updates are loaded into the MSBCBS claims processing system and maintained on the web as an ongoing source of information for use in the determination of accurate reimbursement.

<b><u>CMS Rates – Quarter Installed</u></b>	<b><u>Hospital Actual Date of Service</u></b>	<b><u>MSBCBS Claim Process Date</u></b>	<b><u>Date MSBCBS loaded for processing of claims</u></b>
CMS 4 <sup>th</sup> quarter 2007 base rates and logic	January 1, 2008 – March 20, 2008	January 1, 2008 – March 20, 2008	Loaded prior to January 1, 2008, please use for claims processed before March 20, 2008.
CMS 1 <sup>st</sup> quarter 2008 base rates and logic	January 1, 2008 – June 13, 2008	March 20, 2008 – June 13, 2008	March 20, 2008
CMS 2 <sup>nd</sup> quarter 2008 base rates and logic	April 1, 2008 – August 22, 2008	June 13, 2008 – August 22, 2008	June 13, 2008
CMS 3 <sup>rd</sup> quarter 2008 base rates and logic	July 1, 2008 – October 24, 2008	August 22, 2008 – October 24, 2008	August 22, 2008
CMS 4 <sup>th</sup> quarter 2008 base rates (base rate update only, logic will be updated at a later date in time, logic based on 3 <sup>rd</sup> quarter 2008)	October 1, 2008 – February 6, 2009	October 24, 2008 – February 6, 2009	October 24, 2008
CMS 4 <sup>th</sup> quarter 2008 (logic update – base rates previously updated)	October 1, 2008 – February 27, 2009	December 12, 2008 – February 27, 2009	December 12, 2008
CMS 1 <sup>st</sup> quarter 2009 base rates (base rate update only, logic will be updated at a later date in time, logic based on 4 <sup>th</sup> quarter 2008)	January 1, 2009 – May 8, 2009	February 6, 2009 – May 8, 2009	February 6, 2009
CMS 1 <sup>st</sup> quarter 2009 (logic update – base rates previously updated)	January 1, 2009 – May 8, 2009	February 27, 2009 – May 8, 2009	February 27, 2009
CMS 2 <sup>nd</sup> quarter 2009 (logic and base rate update)	April 1, 2009 – July 24, 2009	May 8, 2009 – July 24, 2009	May 8, 2009

<b><u>CMS Rates – Quarter Installed</u></b>	<b><u>Hospital Actual Date of Service</u></b>	<b><u>MSBCBS Claim Process Date</u></b>	<b><u>Date MSBCBS loaded for processing of claims</u></b>
CMS 3 <sup>rd</sup> quarter 2009 base rates (base rate update only, logic updated at a later date in time, logic based on 2 <sup>nd</sup> quarter 2009)	July 1, 2009 – December 4, 2009	July 24, 2009 – December 4, 2009	July 24, 2009
CMS 3 <sup>rd</sup> quarter 2009 (logic update – base rates previously updated)	July 1, 2009 – December 4, 2009	August 21, 2009 – December 4, 2009	August 21, 2009
CMS 4 <sup>th</sup> quarter 2009 (logic and base rate update)*	October 1, 2009 - March 19, 2010	December 4, 2009 – March 19, 2010	December 4, 2009
CMS 1 <sup>st</sup> quarter 2010 (logic and base rate update)	January 1, 2010 – June 18, 2010	March 19, 2010 – June 18, 2010	March 19, 2010
CMS 2 <sup>nd</sup> quarter 2010 (logic and base rate update)	April 1, 2010 - September 17, 2010	June 18, 2010 – September 17, 2010	June 18, 2010
CMS 3 <sup>rd</sup> quarter 2010 (logic and base rate update)	July 1, 2010 to present date of service	September 17, 2010 to present date of service	September 17, 2010

*\*\* MSBCBS has mailed factors to each Hospital, please reference the memos mailed to your specific Hospital to determine the appropriate factors within each quarter to use when calculating reimbursement. Factors may and in most cases overlap quarters.*

\* Important changes to the logic effective December 4, 2009:

Payment for Emergency Dialysis: Retroactive to October 1, 2008. Consistent with CMS will deny payment for ESRD-related EPOTEIN Alfa (EPO) (HCPCs Q4081) and Darbepoetin Alfa (Aranesp) (HCPCs J0882) on bill type 13X or 85X claims unless HCPCs code G0257 (represents unscheduled or emergency dialysis treatment for an ESRD patient in a hospital outpatient department not certified as an ESRD facility) is also included on the claim.

Wrong Surgery, Wrong Body Part or Wrong Patient: Retroactive to January 15, 2009, consistent with CMS decision to no longer cover certain invasive procedures in a hospital outpatient setting. Although MSBCBS OPPS logic would default price the lines, post pay review may result in the recovery of the payment and the member and MSBCBS will be held harmless.

CMS made retroactive changes to the 01/01/2010 APC rates.

As a reminder all updates are implemented prospectively and retroactive adjustments are not applied.

Last Updated: September 20, 2010