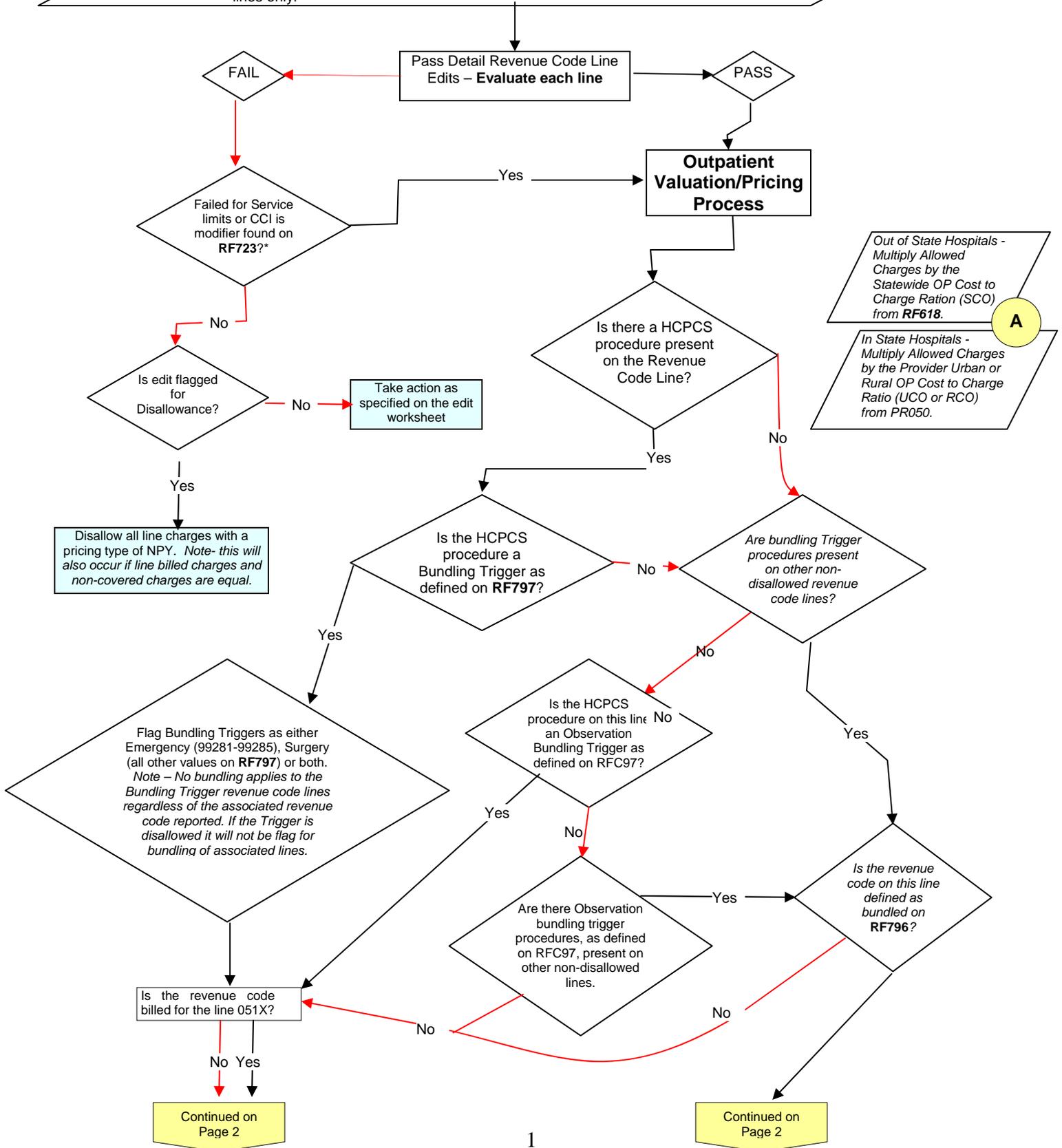# Outpatient Hospital Capped Fee Schedule **ENCOUNTERS** Valuation/Pricing Decision Tree
EFFECTIVE - 10/01/2011

Initial Filter – Claim/Encounter Bill type indicates Outpatient Hospital (13X, 14X), Critical Access Hospital (85X), Hospital Clinic (7XX), or Inpatient Hospital Same Day Admission/Discharge or Transfer (Admit and End Date of Service equal and patient status not 30, or death). Claim/Encounter must also be non-Medicare primary, non-I.H.S./638 provider (unless KidsCare) and have dates of service on or after 7/1/2005. Non-Voided lines only.
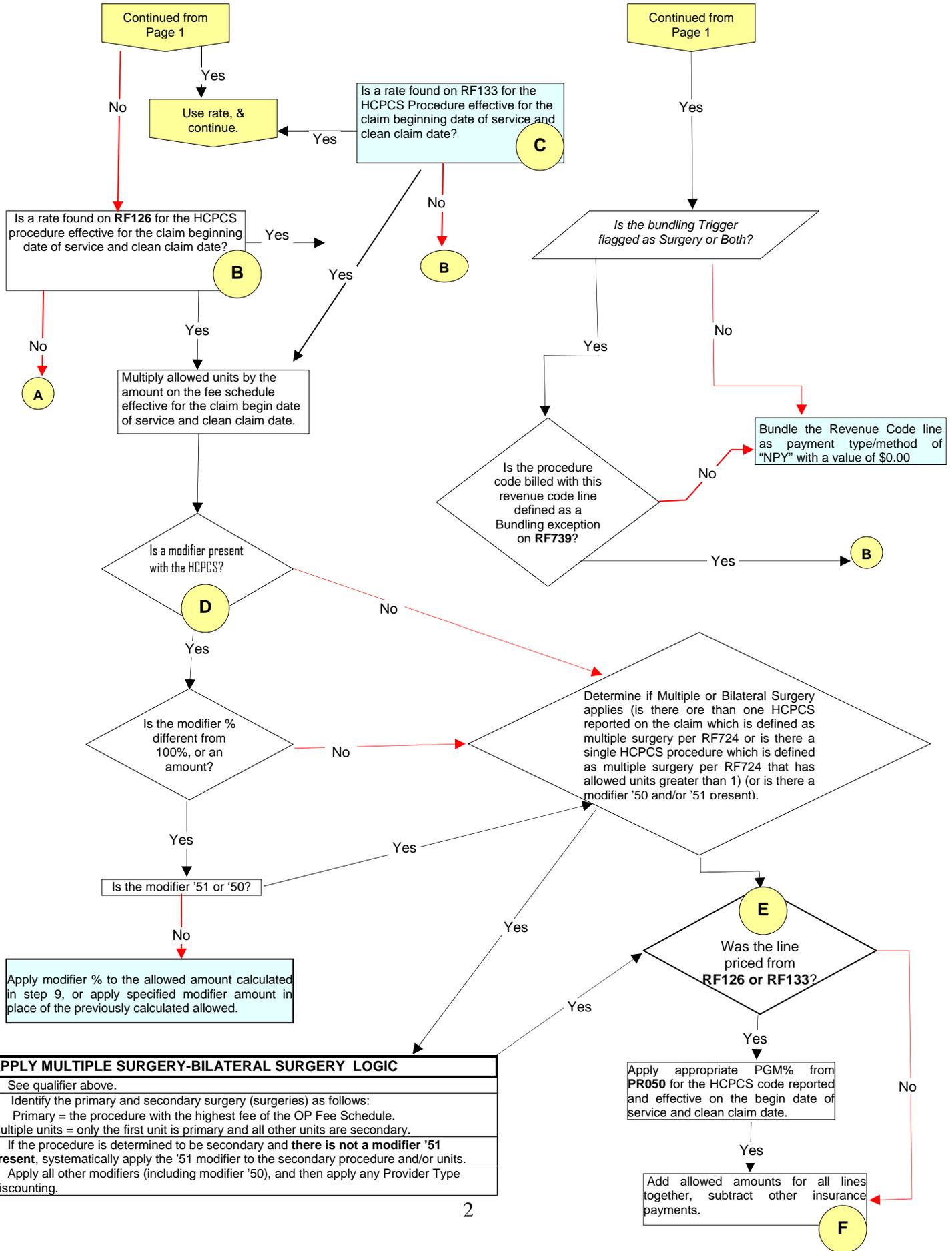
FAIL ← Pass Detail Revenue Code Line Edits – **Evaluate each line** → PASS

Failed for Service limits or CCI is modifier found on **RF723**?* — Yes → **Outpatient Valuation/Pricing Process**

*Out of State Hospitals - Multiply Allowed Charges by the Statewide OP Cost to Charge Ration (SCO) from **RF618**.*

A

In State Hospitals - Multiply Allowed Charges by the Provider Urban or Rural OP Cost to Charge Ratio (UCO or RCO) from PR050.

No ↓

Is edit flagged for Disallowance? — No → Take action as specified on the edit worksheet

Is there a HCPCS procedure present on the Revenue Code Line?

Yes ↓

Disallow all line charges with a pricing type of NPY. *Note- this will also occur if line billed charges and non-covered charges are equal.*

Is the HCPCS procedure a Bundling Trigger as defined on **RF797**? — No → Are bundling Trigger procedures present on other non-disallowed revenue code lines?

No ↓

Is the HCPCS procedure on this line an Observation Bundling Trigger as defined on RFC97? — No →

Yes ↓

Flag Bundling Triggers as either Emergency (99281-99285), Surgery (all other values on **RF797**) or both. *Note – No bundling applies to the Bundling Trigger revenue code lines regardless of the associated revenue code reported. If the Trigger is disallowed it will not be flag for bundling of associated lines.*

No ↓

Are there Observation bundling trigger procedures, as defined on RFC97, present on other non-disallowed lines. — Yes → Is the revenue code on this line defined as bundled on **RF796**?

No ↓

Is the revenue code billed for the line 051X? — No

No Yes

1

Outpatient Hospital Capped Fee Schedule **ENCOUNTERS** Valuation/Pricing Decision Tree
EFFECTIVE - 10/01/2011

Continued from Page 1 → Yes

No

Use rate, & continue.

Is a rate found on RF133 for the HCPCS Procedure effective for the claim beginning date of service and clean claim date? **C** → Yes

No → **B**

Is a rate found on **RF126** for the HCPCS procedure effective for the claim beginning date of service and clean claim date? **B** → Yes

No → **A**

Yes

Yes

Multiply allowed units by the amount on the fee schedule effective for the claim begin date of service and clean claim date.

Continued from Page 1 → Yes

Is the bundling Trigger flagged as Surgery or Both?

Yes

No

Is the procedure code billed with this revenue code line defined as a Bundling exception on **RF739**?

No → Bundle the Revenue Code line as payment type/method of "NPY" with a value of $0.00

Yes → **B**

Is a modifier present with the HCPCS? **D**

No

Yes

Is the modifier % different from 100%, or an amount?

No →

Yes

Determine if Multiple or Bilateral Surgery applies (is there ore than one HCPCS reported on the claim which is defined as multiple surgery per RF724 or is there a single HCPCS procedure which is defined as multiple surgery per RF724 that has allowed units greater than 1) (or is there a modifier '50 and/or '51 present).

Is the modifier '51 or '50? → Yes

No

Apply modifier % to the allowed amount calculated in step 9, or apply specified modifier amount in place of the previously calculated allowed.

Yes

Yes

E
Was the line priced from **RF126 or RF133**?

Yes

No

Apply appropriate PGM% from **PR050** for the HCPCS code reported and effective on the begin date of service and clean claim date.

Yes

Add allowed amounts for all lines together, subtract other insurance payments.

F

APPLY MULTIPLE SURGERY-BILATERAL SURGERY LOGIC

1. See qualifier above.
2. Identify the primary and secondary surgery (surgeries) as follows:
- Primary = the procedure with the highest fee of the OP Fee Schedule.
Multiple units = only the first unit is primary and all other units are secondary.
3. If the procedure is determined to be secondary and **there is not a modifier '51 present**, systematically apply the '51 modifier to the secondary procedure and/or units.
4. Apply all other modifiers (including modifier '50), and then apply any Provider Type Discounting.

A	Multiply Allowed Charges by SCO
B	Multiply allowed units by OPFS rates
C	Multiple allowed units by OPFS 051X rates
D	Modifier Logic
E	PGM decision
F	Calculate Final Net allowed

DISALLOWANCE EDITS
PROCEDURE CODE TEST
REVENUE CODE/HCPCS PROCEDURE TEST
PROCEDURE MODIFIER TEST
REVENUE CODE/BILL TYPE TEST
REVENUE CODE/BILL TYPE COMBINATION COVERAGE
MODIFIER VALID FOR PROCEDURE TEST
OUTPATIENT HOSPITAL CORRECT CODING

Edit Examples – Detail Revenue Code Line Edits:	
Valid OP HCPCS procedure? Apply OP service limits for HCPCS procedure code.	RF127
Revenue code covered for bill type?	RF774
Revenue code HCPCS procedure reporting requirements met? Valid Revenue Code for O/P Bill type?	RF774
Valid HCPCS procedure to Revenue code relationship?	RF773
Valid OP Modifier for HCPCS procedure?	RF121
HCPCS procedure covered for OP?	RF123
Apply OP Correct Coding (CCI) for HCPCS procedure codes.	RF128
Valid Revenue code?	RF721
Does the procedure modifier indicate override of CCI or Frequency Limits?	RF723

TABLE #	DESCRIPTION	HOW USED IN RELATION TO THE OUTPATIENT HOSPITAL FEE SCHEDULE PROJECT
CL276	OPFS DISAALLOWANCE EDITS	Provides a listing of those edits as noted above, which when failed will result in the disallowance of the affected revenue code line rather than denial of the full claim.
RFC97	OPFS OBSERVATION BUNDLED RATE DRIVER	Provides a listing of procedure codes (HCPCS/CPT) which trigger secondary Observation bundling of Outpatient claims.
RF121	VALID OPFS PROCEDURE MODIFIERS	Provides a listing of valid modifiers for Outpatient claims, by procedure code (HCPCS/CPT.)
RF123	PROCEDURE AHCCCS COVERAGE	Provides procedure code (HCPCS/CPT) coverage information.
RF126	PROCEDURE OPFS PRICE	Provides the allowed Outpatient claims fees by procedure code (HCPCS/CPT). Note a blank or $0.00 segment for the procedure effective on the claim date of service and receipt date indicates default to the SCO.
RF127	PROCEDURE OPFS CODES INDICATORS AND VALUES	Provides valid procedure codes (HCPCS/CPT) and specific service limit information for Outpatient claims.
RF133	PROCEDURE OPFS 051X PRICE	Provides the allowed Outpatient claims fees by procedure code (HCPCS/CPT) when associated with a 051X revenue code line. Note a blank or $0.00 segment for the procedure effective on the claim date of service and receipt date indicates default to RF126.
RF721	REVENUE CODES	Provides a listing of valid Revenue Codes.
RF723	LIMIT OVERRIDE MODIFIERS	Provides a listing of modifiers, which when billed with any applicable procedure code (HCPCS/CPT) on an Outpatient claim, require exception processing such as override of service limits or override of CCI editing as defined by the associated Action Code.
RF724	STANDARD SERVICE SET	Provider a listing of procedure codes (HCPCS/CPT) which are subject to multiple surgical pricing considerations.
RF739	OPFS BUNDLED EXCEPTION PROCEDURES	Provides a listing of procedure code (HCPCS/CPT) which when billed on an Outpatient claim, require exception processing such as override of bundling for claims qualified under Surgery triggers as defined by the associated Action Code.
RF773	REVENUE CODES TO PROCEDURE CODES	Provides a listing of procedure codes (HCPCS/CPT) which can be validly reported for a revenue code on an Outpatient claim.
RF774	REVENUE CODES TO BILL TYPES	Provides valid relationships between revenue codes and type of bill, including coverage information. Also provides information on revenue code to procedure code (HCPCS/CPT) reporting requirements for Outpatient claims.
RF796	OPFS BUNDLED REVENUE CODES	Provides a listing of Revenue Codes which are subject to OPFS bundling under Surgery or Emergency Room bundling triggers on Outpatient claims.
RF797	OPFS BUNDLED RATE DRIVER	Provides a listing of procedure codes (HCPCS/CPT) which trigger Surgery or Emergency Room bundling of Outpatient claims.