

Inpatient Limits and Member Billing 2011 Public Comments

<u>Numb:</u>	<u>Date/ Commentor:</u>	<u>Comment:</u>	<u>Response:</u>
1.	07/22/11 Peter Wertheim IASIS Health Care	<p>R9-22-204(C) Concern regarding exception of governmentally-owned burn center. Should be extended to <i>any</i> medical facility that provides treatment for burns. Every hospital should be incentivized to provide emergency episodic care and not be impeded by Medicaid's billing restrictions.</p> <p>All the other benefits exempt from the inpatient limitation are not limited to a specific facility. We request that the rule for the burn treatment be amended to be consistent with the benefit exemptions.</p>	<p>Cases involving critical burns are more likely to be transferred to a nationally recognized burn unit.</p> <p>AHCCCS believes that current demands for extended treatment of severe burns are met by the facility(ies) described within the rule.</p> <p>However, AHCCCS will monitor the overall utilization of burn treatment and consider the data to determine whether future revisions to the rule are necessary.</p>
2.	07/22/11 Susan Watchman Gammage and Burnham	<p>We believe that "Notice of Action" requirements for plans/contractors (ACOM 414) do not apply to denials of continued stay during inpatient hospitalizations. We believe this exclusion should be revisited with regard to the 25 day limit.</p>	<p>Notice of Action requirements are not within the scope of this rulemaking. However, this comment will be separately reviewed to determine appropriate follow-up actions that may be necessary. 34.</p>
3.	07/22/11 Susan Watchman Gammage and Burnham	<p>The following are rule comments:</p> <ol style="list-style-type: none"> 1. R9-22-204(C) – Partial Days, Observation, and Same Day Admit Discharge. We think that the parameters of a benefit limitation should be fully expounded in formal agency rules. Even if only 4% of the membership is affected, that 4% should have a single point source that is the legally governing description of this new limit. <ol style="list-style-type: none"> (a) where subparagraph states "... inpatient days are counted toward the limit if paid in whole or in part..." We are unaware of any circumstance in which an inpatient day is paid "in part" The inpatient days (whether per diem or outlier) are either paid as an inpatient day or they aren't – they are not paid "in part". Concept AHCCCS is seeking to describe is unclear and the regulation should be redrafted. (b) R9-22-204(C)(1)(d) states that "each 24 hours of paid observation" is counted as one 	<p>The term "In whole and in part" is superfluous and will be removed from rule language.</p>

	<p>inpatient day. Most plans have established the payment cut of at 23 hours. We assume that AHCCCS intends the regulation literally as written – that only stays for which 24 hours of observation are actually paid will be counted against the limit. This would mean that if the patient is in observation status only 10 hours (even if the total time in the hospital is longer), or the plans pays only 23 hours of a 30 hour observation stay, the stay is not counted as an inpatient day. This interpretation excludes Same Day Admit Discharge services from the limitation. If we are mistaken, we ask that the subparagraph be clarified. We believe that observation and same day should be treated the same and be excluded both from the limit. If something else was intended, please clarify and we urge consistency.</p> <p>(c) During pre and post payment review AHCCCS plans frequently conclude that inpatient claims of 1-3 days are services that could have been provided in an outpatient basis in less than 24 hours. The plan generally pays or adjusts the claim to the outpatient payment amount. These claims will appear in the encounter system as paid at a “contract” or “settlement” rate. These claims and all days are “adjudicated”. However the rule does not clearly describe whether AHCCCS will treat all days billed on the claim as “adjudicated and paid”, therefore countable against the limit, or will consider only the 24 hours/ one day actually paid as “adjudicated and paid”.</p> <p>(d) AHCCCS and the plans/ contractors frequently pay fewer days than the total number of days billed (e.g. cut back the length of stay). It is unclear if the phrase “adjudicated and paid” for purposes of the limit means all days billed on the claim, or only the days actually paid. This should be explained expressly in the rule.</p> <p>(e) The rule does not address how the day limit is applied to QMB and non-QMB duals. We believe it is important to the provider and member advocacy communities that the application of the 25 day limit to all groups be articulated in formal agency rules.</p> <p>2. R9-22-702 (D)(4) – Charges to Members</p> <p>The rule states that the member may be billed...if the member signs a document in advance of receiving the service stating that the member understands that the <i>service is</i> excluded or limited and that the member will be financially responsible...” The hospital rarely knows in advance or during hospitalization that the 25 day limit has been met or exceeded. We urge that the Administration modify R9-22-702 (D)(4):</p> <p>For a service that is excluded by statute or rule, or provided in an amount that exceeds a limitation in statute or rule, <u>(a) if the member signs a document in advance of receiving the service stating that the member understands the service is excluded or limited and that the member will be financially responsible for payment for the excluded service or for the services in excess of the limit or (b) for inpatient hospital services subject to R9-22-204(C), if the member signs a document in advance of or during the hospital stay stating that the member understands that some or all of the inpatient stay may later be determined to exceed the limit and that the member will be financially responsible for payment for services in excess of the limit.</u></p>	<p>Your interpretation is correct. Observation is only counted when it is paid at 24 hours or more.</p> <p>When a hospital submits a claim for inpatient services and is paid, the day is counted towards the limit, regardless of whether that payment is at the tier, contract, or negotiated rate. The amount of reimbursement received is irrelevant.</p> <p>Although some information regarding the QMBs is available in the FAQ’s, the Administration will address QMB issues in a separate rulemaking of Chapter 29 specific to Medicare cost-sharing.</p> <p>The Administration has clarified the rule language and has added a phrase stating that the service may be “subject to a limit”.</p>
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4.	07/22/11 James Haynes AZHHA	<p>We have concerns of the proposed rules financial impact to Arizona hospitals and are strongly opposed to the promulgation of any rule that affects Arizona hospital payments and benefit limits without the opportunity to assess the rules impact.</p> <p>In preamble item 7 the Administration has not provided AZHHA the data analysis or posted the analysis for public review during the public comment period. We believe that the impact of this limitation will be skewed toward large trauma centers and rehabilitation facilities in Arizona that care for the most critically ill patients...</p> <p>We urge AHCCCS to prepare a model showing the estimated impact by hospital. We recommend once the model has been developed, AHCCCS should meet with the hospital representatives to explain the rule and changes...</p> <p>We suggest AHCCCS remove language in R9-22-204(B)(2)(c) that limits payment of coverage for the treatment of burn or burn late effect conditions to treatment of a particular type and location facility after the 25 day limit. Treatment of the burn or burn late effect condition should be exempt from the 25 day limit regardless of the location of the facility where the treatment occurs. Other days are excluded on the basis of the medical condition, not location of service. The rule does not provide flexibility for hospitals in Arizona to expand their services to meet community-based needs, or to respond to needs of increased capacity in regional service networks.</p>	<p>A meeting has been scheduled for August 15, 2011 to discuss all benefit limits. In addition, data by hospital will be provided prior to the meeting to AZHHA for its members and also made directly available to non-AZHHA members.</p> <p>See the response to IASIS Commentor.</p>
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