Emergency Department Coverage and Reimbursement

Presentation to the Medicaid Advisory Committee

Indiana Family and Social Services Administration
Office of Medicaid Policy and Planning
Current as of August 20, 2019

Agenda

- Emergency claim processing
- Emergency claims processing workgroup
- Resolutions

Emergency Department Coverage and Reimbursement

- The Indiana Health Coverage Programs and our Managed Care Entity partners must cover emergency services without requiring prior authorization or a contract with the provider.

Emergency Department Coverage and Reimbursement

- Emergency department services are billed at one of five levels. Levels represent complexity of care the individual requires.
  - 99281 (minimal or screening)
  - 99282
  - 99283
  - 99284
  - 99285 (high complexity)

Emergency Department Coverage and Reimbursement

Both state and federal law define “Emergency Medical Condition” using the prudent layperson standard, whereby an emergency condition exists if a prudent layperson with average knowledge of health and medicine could expect their symptoms to jeopardize their health, unborn child, bodily function, or organ.

- IC 12-14-12-0.3
- 42 CFR 438.114

Emergency Department Coverage and Reimbursement

Within the Indiana Health Coverage Programs (IHCP) Managed Care Entity (MCE) contracts, if the prudent layperson standard is not met the MCE must at a minimum reimburse at the screening fee level. The MCE is not required to pay for other services provided.

If the prudent layperson standard is met, the MCE is to pay the claim at the level billed.

Emergency Department Coverage and Reimbursement

How does an MCE determine if a claim has met the prudent layperson standard:

- First, matching against an auto pay list, which is a list of diagnosis codes that the plan thinks are clearly an emergency.
- Second, is the claim does not match the auto pay list, the plan would have their prudent layperson review the claim and the records sent in with the claim.

Emergency Department Coverage and Reimbursement

How does an MCE determine if a claim has met the prudent layperson standard:

- If no records were sent in with the claim, and the claim did not meet the auto pay list, the claim will pay only the screening fee.
- Providers will be instructed on the claim denial to submit records for a prudent layperson review.

Provider Concerns

- Providers have expressed concerns that too many claims are being paid at the screening fee and that the medical record submission process to have a prudent layperson review is overly burdensome.

Medicaid Workgroup: Emergency Services

- Actions taken:
  - Collected data from hospitals, emergency physicians, and internally at OMPP on the rate of emergency claims paid at the screening fee
  - Collected information on how each plan used auto pay lists, case rates, and prudent layperson reviews
  - Determined several possible solutions, by taking in stakeholder feedback
  - Currently: Evaluating regulatory, legal, and financial implications of the various solutions

Medicaid Workgroup: Emergency Services

- Goal is for the solution to standardize MCE and Fee for Service processing of emergency claims as much as possible.
- Next Steps:
  - Work with our stakeholders on selecting and fully developing the solution
  - Collaborate with stakeholders on an implementation plan and timeline
  - Report back to the MAC

Questions