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**STATE OF OKLAHOMA
OKLAHOMA HEALTH CARE AUTHORITY**

**Agenda
SPARC
March 5, 2014
11:00 am
Ponca Conference Room**

Rate issues to be addressed:

- Anesthesiologist Reimbursement
- Long-Acting Reversible Contraception (LARC)

State Plan Amendment Rate Committee (SPARC)
March 5th, 2014
Anesthesia Payment Rate Change – Modification for CPT 01996

1. Is this a “Rate Change” or a “Method Change”?
Method change
- 1b. Is this change an increase, decrease, or no impact?
Increase
2. Presentation of issue – Why is change being made?
During the last SPARC we inadvertently included procedure code 01996 as one of the codes that should be updated as part of the formula involving base units and time units multiplied by a conversion factor. However during the update process we discovered that procedure code 01996 was actually paid through a flat fee methodology. We are asking take this code back to the flat fee methodology. CPT code 01996 (daily hospital management of epidural or subarachnoid continuous drug administration) will pay at a flat fee; the flat fee will increase from the budget reduction max fee of \$91.44 (\$94.50 default) to \$117.00
3. Current methodology and/or rate structure.
The methodology for the flat fee involves the base units assigned by Medicare multiplied by the current conversion factor. Medicare limits the time unit on this code to 1 unit.
4. New methodology or rate.
The change is to revert to the previous methodology; to go back to the flat fee methodology rather than a base multiplied by time multiplied by conversion factor.
5. Budget estimate.
This is budget neutral. The budget impact of this code was included in the previous budget impact.
6. Agency estimated impact on access to care.
This rate increase will encourage providers to participate in the Medicaid program and thus have a positive impact on access to care.
7. Rate or Method change in the form of a motion.
The agency requests the State Plan Amendment Rate Committee to approve a methodology change for procedure code 01996.
8. Effective date of change.
January 1, 2014

State Plan Amendment Rate Committee (SPARC)
March 5th, 2014
Long-Acting Reversible Contraception (LARC)

1. Is this a “Rate Change” or a “Method Change”?
Method change – This request is to move the long-acting reversible contraception (LARC) payment out of the DRG bundled payment (if done as part of an inpatient stay) and pay for it separately.
- 1b. Is this change an increase, decrease, or no impact?
No impact – this payment is currently being made in the outpatient physician office setting; this change would move the payment from the physician office to the hospital.
2. Presentation of issue – Why is change being made?
Providing LARC placement while the member is in the hospital immediately after delivery is desirable because the member is there and eligibility is assured. Further, some women do not make their physician postpartum follow-up visit or have lost eligibility by the time they do, which leads to costly unplanned pregnancies. ACOG has also endorsed the placement of LARC during this immediate postpartum period as safe, effective and desirable.
Currently if a hospital were to provide this expensive implantable during the inpatient stay it would be bundled into the DRG payment and hospitals would be unwilling to supply it. This change seeks to reimburse for the LARC separately, at the same rate as is currently reimbursed in the physician’s office.
3. Current methodology and/or rate structure.
Currently all services provided during an inpatient stay are bundled into the inpatient DRG payment
4. New methodology or rate.
The change is a change in methodology; we will allow an exception to the DRG methodology and reimburse this implantable outside of the DRG bundled methodology.
5. Budget estimate.
This is budget neutral. This service is currently being provided in the physician’s office.
6. Agency estimated impact on access to care.
This change will encourage hospitals to provide this service which will have a positive impact on a woman’s access to care.
7. Rate or Method change in the form of a motion.
The agency requests the State Plan Amendment Rate Committee to approve a methodology change for the DRG bundled payment methodology and allow an exception for reimbursement of LARC in addition to the DRG payment.
8. Effective date of change.
July 1, 2014