

**Washington Apple Health (Medicaid)**

# Outpatient Hospital Services Billing Guide

**October 1, 2016**

Every effort has been made to ensure this guide's accuracy. If an actual or apparent conflict between this document and an agency rule arises, the agency rules apply.

## About this guide\*

This publication takes effect October 1, 2016, and supersedes earlier guides to this program.

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Washington Apple Health means the public health insurance programs for eligible Washington residents. Washington Apple Health is the name used in Washington State for Medicaid, the children's health insurance program (CHIP), and state-only funded health care programs. Washington Apple Health is administered by the Washington State Health Care Authority.

Services, equipment, or both, related to any of the programs listed below must be billed using their specific billing guides:

- [Inpatient Hospital Services](#)
- [Physician-Related Services/Health Care Professional Services](#)

## What has changed?

Subject	Change	Reason for Change
<a href="#">Billing and Claim Forms</a>	Effective October 1, 2016, all claims must be filed electronically. See blue box notification.	Policy change to improve efficiency in processing claims
<a href="#">EPA Criteria Coding List</a>	Removed EPA Code 870001370 Services rendered in the ER to an MCO client	Managed care organizations are now responsible to pay for these visits.
<a href="#">Mental Health</a>	Added new section: "When does an MCO pay for an outpatient hospital visit for a client with a psychiatric principal diagnosis?"	Managed care organizations are now responsible to pay for these visits.

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\* This publication is a billing instruction.

## How can I get agency provider documents?

To access provider alerts, go to the agency's [provider alerts](#) web page.

To access provider documents, go to the agency's [provider billing guides and fee schedules](#) web page.

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# Important Changes to Apple Health Effective April 1, 2016

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**These changes are important to all providers  
because they may affect who will pay for services.**

Providers serving any Apple Health client should always check eligibility and confirm plan enrollment by asking to see the client's Services Card and/or using the ProviderOne Managed Care Benefit Information Inquiry functionality (HIPAA transaction 270). The response (HIPAA transaction 271) will provide the current managed care organization (MCO), fee-for-service, and Behavioral Health Organization (BHO) information. See the Southwest Washington Provider Fact Sheet on the agency's [Early Adopter Region Resources](#) web page.

## **New MCO enrollment policy – earlier enrollment**

**Beginning April 1, 2016**, Washington Apple Health (Medicaid) implemented a new managed care enrollment policy placing clients into an agency-contracted MCO **the same month** they are determined eligible for managed care as a new or renewing client. This policy eliminates a person being placed temporarily in fee-for-service while they are waiting to be enrolled in an MCO or reconnected with a prior MCO.

- **New clients** are those initially applying for benefits or those with changes in their existing eligibility program that consequently make them eligible for Apple Health Managed Care.
- **Renewing clients** are those who have been enrolled with an MCO but have had a break in enrollment and have subsequently renewed their eligibility.

Clients currently in fee-for-service or currently enrolled in an MCO are not affected by this change. Clients in fee-for-service who have a change in the program they are eligible for may be enrolled into Apple Health Managed Care depending on the program. In those cases, this enrollment policy will apply.

## How does this policy affect providers?

- Providers must check eligibility and know when a client is enrolled and with which MCO. For help with enrolling, clients can refer to the Washington Healthplanfinder's [Get Help Enrolling](#) page.
- MCOs have retroactive authorization and notification policies in place. The provider must know the MCO's requirements and be compliant with the MCO's new policies.

## Behavioral Health Organization (BHO)

The Department of Social and Health Services (DSHS) manages the contracts for behavioral health (mental health and substance use disorder (SUD)) services for nine of the Regional Service Areas (RSA) in the state, excluding Clark and Skamania counties in the Southwest Washington (SW WA) Region. BHOs will replace the Regional Support Networks (RSNs). Inpatient mental health services continue to be provided as described in the inpatient section of the [Mental Health Billing](#) guide. BHOs use the [Access to Care Standards \(ACS\)](#) for mental health conditions and [American Society of Addiction Medicine \(ASAM\)](#) criteria for SUD conditions to determine client's appropriateness for this level of care.

## Fully Integrated Managed Care (FIMC)

Clark and Skamania Counties, also known as SW WA region, is the first region in Washington State to implement the FIMC system. This means that physical health services, all levels of mental health services, and drug and alcohol treatment are coordinated through one managed care plan. Neither the RSN nor the BHO will provide behavioral health services in these counties.

Clients must choose to enroll in either Community Health Plan of Washington (CHPW) or Molina Healthcare of Washington (MHW). If they do not choose, they are auto-enrolled into one of the two plans. Each plan is responsible for providing integrated services that include inpatient and outpatient behavioral health services, including all SUD services, inpatient mental health and all levels of outpatient mental health services, as well as providing its own provider credentialing, prior authorization requirements and billing requirements.

Beacon Health Options provides mental health crisis services to the entire population in Southwest Washington. This includes inpatient mental health services that fall under the Involuntary Treatment Act for individuals who are not eligible for or enrolled in Medicaid, and short-term substance use disorder (SUD) crisis services in the SW WA region. Within their available funding, Beacon has the discretion to provide outpatient or voluntary inpatient mental health services for individuals who are not eligible for Medicaid. Beacon Health Options is also

responsible for managing voluntary psychiatric inpatient hospital admissions for non-Medicaid clients.

In the SW WA region some clients are not enrolled in CHPW or Molina for FIMC, but will remain in Apple Health fee-for-service managed by the agency. These clients include:

- Dual eligible – Medicare/Medicaid
- American Indian/Alaska Native (AI/AN)
- Medically needy
- Clients who have met their spenddown
- Noncitizen pregnant women
- Individuals in Institutions for Mental Diseases (IMD)
- Long-term care residents who are currently in fee-for-service
- Clients who have coverage with another carrier

Since there is no BHO (RSN) in these counties, Medicaid fee-for-service clients receive complex behavioral health services through the Behavioral Health Services Only (BHSO) program managed by MHW and CHPW in SW WA region. These clients choose from CHPW or MHW for behavioral health services offered with the BHSO or will be auto-enrolled into one of the two plans. A [BHSO fact sheet](#) is available online.

## Apple Health Core Connections (AHCC)

Coordinated Care of Washington (CCW) will provide all physical health care (medical) benefits, lower-intensity outpatient mental health benefits, and care coordination for all Washington State foster care enrollees. These clients include:

- Children and youth under the age of 21 who are in foster care
- Children and youth under the age of 21 who are receiving adoption support
- Young adults age 18 to 26 years old who age out of foster care on or after their 18<sup>th</sup> birthday

American Indian/Alaska Native (AI/AN) children will **not** be auto-enrolled, but may opt into CCW. All other eligible clients will be auto-enrolled.

## AHCC complex mental health and substance use disorder services

AHCC clients who **live in** Skamania or Clark County receive complex behavioral health benefits through the Behavioral Health Services Only (BHSO) program in the SW WA region. These clients will choose between CHPW or MHW for behavioral health services, or they will be auto-enrolled into one of the two plans. CHPW and MHW will use the BHO Access to Care Standards

to support determining appropriate level of care, and whether the services should be provided by the BHSO program or CCW.

AHCC clients who **live outside** Skamania or Clark County will receive complex mental health and substance use disorder services from the BHO and managed by DSHS.

## Contact Information for Southwest Washington

**Beginning on April 1, 2016**, there will not be an RSN/BHO in Clark and Skamania counties. Providers and clients must call the agency-contracted MCO for questions, or call Beacon Health Options for questions related to an individual who is not eligible for or enrolled in Medicaid.

If a provider does not know which MCO a client is enrolled in, this information can be located by looking up the patient assignment in ProviderOne.

To contact Molina, Community Health Plan of Washington, or Beacon Health Options, please call:

	<a href="#">Molina Healthcare of Washington, Inc.</a> 1-800-869-7165
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	<a href="#">Community Health Plan of Washington</a> 1-866-418-1009
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<b>Beacon Health Options</b>	<a href="#">Beacon Health Options</a> 1-855-228-6502
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# Definitions

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This section defines terms and abbreviations, including acronyms, used in this billing guide. Refer to [Chapter 182-500 WAC](#) for a complete list of definitions for Washington Apple Health.

**Authorization requirement** – The agency’s requirement that a provider present proof of medical necessity evidenced either by obtaining a prior authorization number or by using the expedited prior authorization process to create an authorization number.

**Behavioral health organization (BHO)** – A single- or multiple-county authority of other entity operating as a prepaid health plan with which the Medicaid agency or the agency’s designee contracts for the delivery of community outpatient and inpatient mental health and substance use disorder services in a defined geographic area. (WAC [182-500-0015](#))

**Budget target adjustor** – A multiplier applied to the Outpatient Prospective Payment System (OPPS) payment to ensure aggregate payments do not exceed the established budget target. (WAC [182-550-1050](#))

**Bundled services** – Interventions integral to or related to the major procedure. (WAC 182-550-1050)

**Discount factor** – The percentage applied to additional significant procedures when a claim has multiple significant procedures or when the same procedure is performed multiple times on the same day. Not all significant procedures are subject to a discount factor. (WAC 182-550-1050)

**Emergency services** – Health care services required by and provided to a client after the sudden onset of a medical condition manifesting itself by acute symptoms of sufficient severity that the absence of immediate medical attention could reasonably be expected to result in placing the client’s health in serious jeopardy; serious impairment to bodily functions; or serious dysfunction of any bodily organ or part.

**Alert:** Inpatient maternity services are treated as emergency services when the agency pays a hospital for those services.

**Enhanced ambulatory patient groupings (EAPG)** – The payment system used by the agency to calculate reimbursement to hospitals for the facility component of outpatient services on and after October 1, 2014. This system uses 3M’s EAPGs as the primary basis for payment. (WAC 182-550-1050)

**Hospital’s outpatient RCC** – The agency calculates a hospital’s outpatient ratio of costs-to-charges (RCC) by multiplying the hospital’s inpatient RCC and the OPPS outpatient adjustment factor (OAF).

**International classification of diseases (ICD)** – The systematic listing of diseases, injuries, conditions, and procedures as numerical or alpha numerical designations (coding). (WAC 182-550-1050)

**Modifier** – A two-digit alphabetic and/or numeric identifier that is added to the

procedure code to indicate the type of service performed. The modifier provides the means by which the reporting hospital can describe or indicate that a performed service or procedure has been altered by some specific circumstance, but not changed in its definition or code. The modifier can affect payment or be used for information only. Modifiers are listed in fee schedules. (WAC 182-550-1050)

**Observation services** – A well-defined set of clinically appropriate services furnished while determining whether a client will require formal inpatient admission or be discharged from the hospital. Services include ongoing short-term treatment, monitoring, assessment, and reassessment. Rarely do reasonable and necessary observation services exceed forty-eight hours. The agency or its designee may determine through the retrospective utilization review process that an inpatient hospital service should have been billed as an observation service. (WAC 182-550-1050)

**OPPS** – See **Outpatient Prospective Payment System**. (WAC 182-550-1050)

**Outpatient care** – See **Outpatient hospital services**. (WAC 182-550-1050)

**Outpatient hospital** – A hospital authorized by the Department of Health (DOH) to provide outpatient services. (WAC 182-550-1050)

**Outpatient Prospective Payment System (OPPS)** – The payment system used by the agency to calculate reimbursement to hospitals for the facility component of outpatient services. This system uses enhanced ambulatory patient groups (EAPGs) as the primary basis of payment. (WAC 182-550-1050)

**Outpatient Prospective Payment System (OPPS) conversion factor** – See **Outpatient Prospective payment system (OPPS) rate**. (WAC 182-550-1050)

**Outpatient Prospective Payment System (OPPS) rate** - A hospital-specific multiplier calculated by the agency that is one of the components of the EAPG payment calculation.

**Outpatient RCC** – See **Hospital’s outpatient RCC**.

**Pass-throughs** – Certain drugs, devices, and biologicals, as identified by centers for Medicare and Medicaid Studies (CMS), for which providers are entitled to additional separate payment until the drugs, devices, or biologicals are paid per the OPPS fee schedule.

**Principal diagnosis** – The condition chiefly responsible for the admission of the patient to the hospital. (WAC 182-550-1050)

**Policy adjustor** – A payment factor that increases the reimbursement of EAPGs for clients age 17 and younger.

**Revenue code** – A nationally assigned coding system for billing inpatient and outpatient hospital services, home health services, and hospice services. (WAC 182-550-1050)

**Significant procedure** – A procedure, therapy, or service provided to a client that constitutes one of the primary reasons for the visit to the health care professional, and represents a substantial portion of the resources associated with the visit.  
(WAC 182-550-1050)

**UB-04** – The uniform billing document required for use nationally by hospitals, nursing facilities, hospital-based skilled nursing facilities, home health agencies, and hospice agencies in billing for services provided to patients. This document includes the current national uniform billing data element specifications developed by the National Uniform Billing Committee and approved and modified by the Washington State payer group or the agency.  
(WAC 182-550-1050)

# About the Program

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## **What is the purpose of the outpatient hospital services program?**

The purpose of the outpatient hospital services program is to provide outpatient services, emergency outpatient surgical care, and other emergency care administered to eligible clients and performed on an outpatient basis in a hospital.

## **How does medical necessity apply to outpatient hospital services?**

(WAC [182-500-0070](#))

The agency pays only for covered services and items that are medically necessary.

## **What about outpatient hospital services provided within one calendar day of DRG-paid inpatient admission?**

(WAC [182-550-6000](#) (3)(c))

Providers must bill the following outpatient hospital services on the inpatient hospital claim when provided within one calendar day of a client's inpatient hospital stay paid by the diagnostic-related group (DRG) method:

- Preadmission
- Emergency room
- Observation services related to an inpatient hospital stay

# Client Eligibility

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## How can I verify a patient's eligibility?

Providers must verify that a patient has Washington Apple Health coverage for the date of service, and that the client's benefit package covers the applicable service. This helps prevent delivering a service the agency will not pay for.

To verify eligibility, follow this two-step process:

**Step 1. Verify the patient's eligibility for Washington Apple Health.** For detailed instructions on verifying a patient's eligibility for Washington Apple Health, see the *Client Eligibility, Benefit Packages, and Coverage Limits* section in the agency's [ProviderOne Billing and Resource Guide](#).

If the patient is eligible for Washington Apple Health, proceed to **Step 2**. If the patient is not eligible, see the note box below.

**Step 2. Verify service coverage under the Washington Apple Health client's benefit package.** To determine if the requested service is a covered benefit under the Washington Apple Health client's benefit package, see the agency's [Program benefit packages and scope of services](#) web page.

**Note:** Patients who wish to apply for Washington Apple Health can do so in one of the following ways:

1. By visiting the Washington Healthplanfinder's website at:  
[www.wahealthplanfinder.org](http://www.wahealthplanfinder.org)
2. By calling the Customer Support Center toll-free at: 855-WAFINDER (855-923-4633) or 855-627-9604 (TTY)
3. By mailing the application to:  
Washington Healthplanfinder  
PO Box 946  
Olympia, WA 98507

In-person application assistance is also available. To get information about in-person application assistance available in their area, people may visit [www.wahealthplanfinder.org](http://www.wahealthplanfinder.org) or call the Customer Support Center.

## Are clients enrolled in an agency-contracted managed care organization (MCO) eligible?

(WAC [182-538-060](#) and [182-538-095](#))

**Yes.** Most Medicaid-eligible clients are enrolled in one of the agency's contracted managed care organizations (MCOs). For these clients, managed care enrollment will be displayed on the client benefit inquiry screen in ProviderOne. All services must be requested directly through the client's primary care provider (PCP). Clients can contact their MCO by calling the telephone number provided to them.

All medical services covered under an agency-contracted MCO must be obtained by the client through designated facilities or providers. The MCO is responsible for the following:

- Payment of covered services
- Payment of services referred by a provider participating with the MCO to an outside provider

For dental surgical procedures, bill the agency directly. For a list of approved dental surgical diagnosis codes, see the [Approved Diagnosis Codes by Program](#).

**Note:** To prevent billing denials, check the client's eligibility **prior** to scheduling services and at the **time of the service**, and make sure proper authorization or referral is obtained from the agency-contracted MCO, if appropriate. Providers must receive authorization from the client's MCO primary care provider before providing services, **except for emergency services**. See the agency's [ProviderOne Billing and Resource Guide](#) for instructions on how to verify a client's eligibility.

# Medical Policy Updates

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In accordance with [WAC 182-501-0055](#), the agency has reviewed the recommendations of the Health Technology Assessment Clinical Committee (HTACC) ([RCW 70.14.080 through 70.14.140](#)) and has made the decision to adopt recommendations for the following technologies.

## Policy updates effective 7/1/2015

- [Testosterone testing](#)

## Policy updates effective 4/1/2015

- [Screening and monitoring tests for osteopenia and osteoporosis](#)
- [Bilateral cochlear implants](#)

## Policy updates effective 1/1/2015

- [Carotid artery stenting](#)
- [Facet neurotomy, cervical and lumbar](#)
- [Proton beam radiation therapy](#)
- [Stereotactic radiation surgery](#)
- [Stereotactic body radiation therapy](#)

For additional details and medical necessity criteria, see [Health Technology Reviews](#).

# Admissions

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## What are the criteria for an outpatient short stay?

The agency applies level-of-care and intensity-of-service criteria to determine if a hospital visit should be considered an inpatient stay or an outpatient stay. The agency determines if the level-of-care and intensity-of-service criteria are met.

A visit that does not meet level-of-care and intensity-of-service criteria as an inpatient claim will not be treated as or paid as an inpatient claim, even if the patient has been admitted as an inpatient. The agency may treat such a claim as an outpatient short stay, but only if level-of-care and intensity-of-service criteria as an outpatient claim are met.

A visit that does not meet level-of-care and intensity-of-service criteria as an outpatient claim will not be treated as or paid as an outpatient claim.

## What is admission status?

Admission status is determined by the admitting physician or practitioner. Continuous monitoring, such as telemetry, can be provided in an observation or inpatient status. Consider overall severity of illness and intensity of service in determining admission status rather than any single or specific intervention. Specialty inpatient areas (including ICU or CCU) can be used to provide observation services. Level of care, not physical location of the bed, dictates admission status.

Some examples of typical types of admission status are:

- Inpatient
- Outpatient observation
- Medical observation
- Outpatient surgery or short stay surgery
- Outpatient (e.g., emergency room)

## When to change admission status

A change in admission status is required when a client's symptoms/condition and treatment does not meet medical necessity criteria for the level of care the client is initially admitted under. The

documentation in the client's medical record must support the admission status and the services billed. The agency does not pay for any of the following:

- Services not meeting the medical necessity of the admission status ordered
- Services not documented in the hospital medical record
- Services greater than what is ordered by the physician or practitioner responsible for the client's hospital care

## Changing status from inpatient to outpatient observation

The attending physician or practitioner may make an admission status change from **inpatient** to outpatient observation when:

- The attending physician/practitioner or the hospital's utilization review staff, or both, determine that an inpatient client's symptoms/condition and treatment do not meet medical necessity criteria for an acute inpatient level of care and do meet medical necessity criteria for an observation level of care.
- The admission status change is made before, or on the next business day following, discharge.
- The admission status change is documented in the client's medical record by the attending physician or practitioner. If the admission status change is made following discharge, the document must:
  - ✓ Be dated with the date of the change.
  - ✓ Contain the reason the change was not made before discharge (e.g., due to the discharge occurring on the weekend or a holiday).

## Changing status from outpatient observation to inpatient

The attending physician or practitioner may make an admission status change from **outpatient observation** to inpatient when:

- The attending physician/practitioner or the hospital's utilization review staff, or both, determine that an outpatient observation client's symptoms/condition and treatment meet medical necessity criteria for an acute inpatient level of care.
- The admission status change is made before, or on the next business day following, discharge.
- The admission status change is documented in the client's medical record by the attending physician or practitioner. If the admission status change is made following discharge, the documentation must:

- ✓ Be dated with the date of the change.
- ✓ Contain the reason the change was not made before discharge (e.g., due to the discharge occurring on the weekend or a holiday).

## Changing status from inpatient or outpatient observation to outpatient

The attending physician or practitioner may make an admission status change from **inpatient or outpatient observation** to outpatient when:

- The attending physician/practitioner or the hospital's utilization review staff, or both, determine that an outpatient observation or inpatient client's symptoms/condition and treatment **do not** meet medical necessity criteria for observation or acute inpatient level of care.
- The admission status change is made before, or on the next business day following, discharge.
- The admission status change is documented in the client's medical record by the attending physician or practitioner. If the admission status change is made following discharge, the documentation must:
  - ✓ Be dated with the date of the change.
  - ✓ Contain the reason the change was not made before discharge (e.g., due to the discharge occurring on the weekend or a holiday).

## Changing status from outpatient surgery/procedure to outpatient observation or inpatient

The attending physician or practitioner may make an admission status change from **outpatient surgery/procedure** to outpatient observation or inpatient when:

- The attending physician/practitioner or the hospital's utilization review staff, or both, determine that the client's symptoms/condition or treatment, or both, require an extended recovery time beyond the normal recovery time for the surgery/procedure and medical necessity for outpatient observation or inpatient level of care is met.
- The admission status change is made before, or on the next business day following, discharge.

- The admission status change is documented in the client's medical record by the attending physician or practitioner. If the admission status change is made following discharge, the documentation must:
  - ✓ Be dated with the date of the change.
  - ✓ Contain the reason the change was not made before discharge (e.g., due to the discharge occurring on the weekend or a holiday).

**Note:** During post-payment retrospective utilization review, the agency may determine the admission status ordered is not supported by documentation in the medical record. The agency may consider payment made in this circumstance an overpayment and payment may be recouped or adjusted.

# Surgery

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For more information about the agency's surgical and medical procedures and evaluations, see the [Physician-Related Services/Health Care Professional Services Billing Guide](#).

## Carotid artery stenting

The agency pays for extracranial carotid artery stenting with limitations. See the [Physician-Related Services/Health Care Professional Services Billing Guide](#).

## Cervical spinal fusion arthrodesis

The agency pays for cervical spinal fusion for degenerative disc disease with limitations. See the agency's [Physician-Related Services/Health Care Professional Services Billing Guide](#).

## Cochlear implants and bone-anchored hearing aids (BAHAs)

Cochlear implants and bone-anchored hearing aids (BAHAs) are covered for clients under age 21 with prior authorization. For more information, see the [Physician-Related Services/Health Care Professional Services Billing Guide](#) and the [Hearing Hardware for Clients Age 20 and Younger Billing Guide](#).

The agency covers replacement parts or repair for cochlear implants and BAHAs through the agency's [Hearing Aids and Services Program](#) only.

## Corneal tissue

Effective for claims with dates of service on and after January 1, 2016, the agency will pay for corneal tissue processing (HCPCS procedure code V2785) by acquisition cost (AC). To receive payment, providers must:

- Bill the amount paid to the eye bank for the processed eye tissue.
- Attach invoice to claim.

The agency will update the [Outpatient Prospective Payment System \(OPPS\) and Outpatient Hospitals Fee Schedule](#) to reflect this change.

## **Facet neurotomy, cervical and lumbar**

See the agency's [Physician-Related Services/Health Care Professional Services Billing Guide](#).

## **Robotic assisted surgery (RAS)**

Robotic assisted surgery (RAS) may be considered medically necessary. However, the agency does not pay separately for Healthcare Common Procedure Coding System (HCPCS) code S2900 and reimburses only for the underlying procedure.

When billing for the underlying procedure, the agency requests billing providers to include RAS on the claim in order to track utilization and outcome. The agency will monitor RAS through retrospective auditing of billing and the review of operative reports.

## **Sterilization and hysterectomy procedures**

See the agency's [Physician-Related Services/Health Care Professional Services Billing Guide](#) and the [Sterilization Supplemental Billing Guide](#) for more information about these procedures.

# Radiology

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## Radiology guidelines

See the agency's [Physician-Related Services/Health Care Professional Services Billing Guide](#).

## Mammograms

The agency has adopted the National Cancer Institute (NCI) recommendations regarding screening mammograms (CPT codes 77052, 77057, and G0202). For clients age 40 and older, one annual screening mammogram is allowed per calendar year. Screening mammograms for clients age 39 and younger require prior authorization.

The agency covers digital breast tomosynthesis (DBT) when performed with a screening mammogram (G0202) in clients age 40-74 who are candidates for screening mammography. One annual screening is allowed per calendar year.

## Functional neuroimaging for primary degenerative dementia or mild cognitive impairment

The agency does not cover functional neuroimaging for primary degenerative dementia or mild cognitive impairment.

## Osteopenia/osteoporosis screening and monitoring tests

The agency covers bone mineral density testing and repeat testing with dual x-ray absorptiometry (DXA) with limitations. These tests require expedited prior authorization (EPA). See [EPA #870001363](#) and [EPA #870001364](#) for criteria. If the EPA criteria are not met, prior authorization (PA) is required.

# **Radiation oncology**

## **Proton beam radiation therapy**

See the agency's [Physician-Related Services/Health Care Professional Services Billing Guide](#) for more information.

## **Stereotactic body radiation therapy**

Stereotactic Body Radiation Therapy (SBRT) is covered for adults and children for the following conditions only:

- For cancers of spine/paraspinal structures
- For inoperable non-small cell lung cancer, stage 1

Evaluation includes multidisciplinary team analysis (e.g., tumor board), including surgical input.

## **Stereotactic radiation surgery**

Stereotactic Radiation Surgery (SRS) for Central Nervous System (CNS) primary and metastatic tumors require prior authorization.

The agency pays for SRS for adults and children when both of the following criteria are met:

- Patient functional status score (i.e., Karnofsky score) is greater than or equal to 50
- Evaluation includes multidisciplinary team analysis (e.g., tumor board), including surgical input

# Pathology and Laboratory

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## Pathology/laboratory guidelines

The agency bundles laboratory services as ancillary services under EAPG. See the agency's [Physician-Related Services/Health Care Professional Services Billing Guide](#) for additional information.

## Shingles vaccine when administered in outpatient hospitals

The agency pays for the administration of the Herpes Zoster (shingles) vaccine (CPT® codes 90471 and 90736) provided in outpatient hospitals and administered according to the guidelines in the agency's [Physician-Related Services/Health Care Professional Services Billing Guide](#).

## Testosterone testing guidelines

The agency covers testosterone testing for males age 19 and older. These tests require expedited prior authorization (EPA). See [EPA #870001368](#) for criteria. If the EPA criteria are not met, prior authorization is required. See the agency's [Physician-Related Services/Health Care Professional Services Billing Guide](#).

# Mental Health

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## **When does an MCO pay for an outpatient hospital visit for a client with a psychiatric principal diagnosis?**

A provider may bill the client's assigned managed care organization (MCO) for an ER visit provided to an MCO client when all of the following criteria are met:

- The client is seen in the ER.
- The ER visit results in a transfer to a different hospital for a BHO-authorized admission.
- The client's principle diagnosis is in the psychiatric range. See the agency's [Program Policy Approved Diagnosis Codes for Physician-Related Services/Health Care Professionals](#) for the appropriate diagnosis code.

All other ER visits should be billed to the client's MCO.

# Office and Other Outpatient Services

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When billing for the following services, follow the individual program guidelines as described in the program-specific [billing guides](#).

## Diabetes Education

**Yes.** In order for a client to participate in the diabetes education program, a licensed primary health care provider must refer the client to a program for diabetes education. Hospitals must be approved by the Washington State Department of Health (DOH) as a diabetes education provider.

For diabetes education services provided in a hospital outpatient setting, the provider must:

- Bill using revenue code 0942.
- Provide a minimum of 30 minutes of education/management per session.

**Note:** Services provided in an outpatient hospital department or hospital-based clinic must be billed on a UB-04 claim form. Services provided in a non-hospital based clinic or a physician's office must be billed on a CMS-1500 claim form.

**Note:** The agency requires authorized hospital outpatient diabetes education programs to bill with revenue code 0942. Claims submitted using HCPCS codes G0108 and G0109 will be denied.

See the agency's [Diabetes Education Billing Guide](#) for more information.

## Drug screening

### Suboxone® guidelines

See the agency's [Physician-Related Services/Health Care Professional Services Billing Guide](#).

### **Additional information when prescribing (Suboxone®)**

The provider must have FDA approval to prescribe buprenorphine/naloxone (Suboxone®) for opioid use disorders (OUD).

The provider must have a CLIA waiver if confirmatory testing is performed at the site of practice.

Enter the following information on the claim forms:

- “Certified bupren provider” in the *Comments* field
- ICD diagnosis codes F11.20 – F11.288 on:
  - ✓ The 837P claim form
  - ✓ The *Claims notes* field on the DDE professional claim
  - ✓ Field 19 on the CMS-1500 claim form (version 02/12)

More information regarding CLIA certification can be found on the [U.S. Food and Drug Administration website](#).

## **Drugs professionally administered**

### **Hyaluronic acid/viscosupplementation**

The agency covers hyaluronic acid/viscosupplementation for the treatment of pain associated with osteoarthritis of the knee (OA) with limitations. See the [Physician-Related Services/Health Care Professional Services Billing Guide](#).

## **Kidney centers**

Certified kidney centers:

- Are exempt from the Outpatient Prospective Payment System (OPPS) reimbursement methodology.
- Must bill using their NPI and kidney center taxonomy code.
- For information about kidney centers and billing, see the agency’s [Kidney Center Services Billing Guide](#).

## Medical nutrition therapy

The agency pays outpatient hospitals for medical nutrition therapy according to the agency's [Medical Nutrition Therapy Billing Guide](#).

## Neurodevelopmental providers

(WAC [182-545-900](#))

The agency pays certified neurodevelopmental centers according to the agency's [Neurodevelopmental Centers Billing Guide](#).

A hospital must bill for neurodevelopmental services provided to outpatient clients using appropriate billing codes listed in agency billing guides. The agency does not pay outpatient hospitals a facility fee for these services.

Do not bill more than one bill for a single client for the same services (same revenue code, procedure code, and medical provider).

## Occupational therapy, physical therapy, or speech/audiology services

The agency pays for outpatient rehabilitation (which includes occupational therapy, physical therapy, and speech/audiology) provided to eligible clients as an outpatient hospital service according to WAC [182-545-200](#) and [182-550-6000](#).

When services for adults in the outpatient hospital setting are provided by physical therapists, occupational therapists, or speech therapists, benefit limits are per client, per calendar year regardless of setting (example: home health, free-standing clinic or outpatient hospital).

See the agency's [Outpatient Rehabilitation Billing Guide](#) for information about these therapies, and new limitations for 19-20 year olds with Medical Care Services (MCS) or Alcohol and Drug Addiction Treatment Act (ADATSA) coverage.

A hospital must bill outpatient hospital occupational therapy, physical therapy, or speech/audiology using appropriate billing codes listed in the agency's billing guides. The agency does not pay outpatient hospitals a facility fee for such services.

**Note: The maximum number of visits allowed is based on appropriate medical justification.** The agency does not allow duplicate services for any specialized therapy for the same client when both providers are performing the same or similar procedure(s). If the client requires more than one therapist in the residence on the same day, the agency requires the therapist to document the therapeutic benefit of having more than one therapist for specialized therapy on the same day.

# Centers of Excellence (COEs)

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The following services must be performed in agency-approved centers of excellence (COEs).

## Where can I find agency-approved COEs?

See the agency's approved COEs for bariatric surgeries, sleep centers, and organ transplants.

- [COEs for bariatric hospitals](#)
- [COEs for sleep study centers](#)
- [COEs for organ transplants](#)

## Which services must be performed in an agency-approved COE?

### Bariatric surgery

See *Bariatric surgeries* in the agency's [Physician-Related Services/Health Care Professional Services Billing Guide](#) for more information.

### Organ transplants

For details about the organ transplant program and billing, see the agency's [Physician-Related Services/Health Care Professional Services Billing Guide](#).

### Sleep studies

See *Sleep medicine testing* in the [Physician-Related Services/Health Care Professional Services Billing Guide](#) for more information.

### Transgender health services

See the agency's [Physician-Related Services/Health Care Professional Services Billing Guide](#).

# Medical Necessity Review by Qualis Health

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## What is a medical necessity review by Qualis Health?

The agency contracts with Qualis Health to provide web-based access for reviewing medical necessity for:

- Outpatient advanced imaging services
- Select surgical procedures
- Outpatient advanced imaging
- Spinal injections, including diagnostic selective nerve root blocks

Qualis Health conducts the review of the request to establish medical necessity, but **does not** issue authorizations. Qualis Health forwards its recommendations to the agency for final authorization determination. The procedure codes that require review by Qualis Health can be found in the agency's [Physician-Related/Professional Health Care Services fee schedule](#).

**Note:** This process through Qualis Health is for Washington Apple Health (Medicaid) clients enrolled in fee-for-service **only**. Authorization requests for managed care clients will **not** be authorized.

## What surgical procedures require medical necessity review by Qualis Health?

The agency and Qualis Health have contracted to provide web-based submittal for utilization review services to establish the medical necessity of selected surgical procedures in the following categories:

- Carpal tunnel release
- Major joints
- Spinal, including facet injections
- Thoracic outlet release
- Upper and lower extremities
- Facet neurotomy, cervical and lumbar

Qualis Health conducts the review of the request to establish medical necessity for surgeries, but **does not** issue authorizations. Qualis Health forwards its recommendations to the agency.

For more information about the requirements for submitting medical necessity reviews for authorization, see *Medical Necessity Review by Qualis Health* in the agency’s [Physician-Related Services/Health Care Professional Services Billing Guide](#).

**Note:** To prevent billing denials, check the client’s eligibility **before** scheduling services and at the **time of the service** and make sure proper authorization or referral is obtained. Providers must receive authorization from the client’s primary care provider before providing services, **except for emergency services**. See the agency’s [ProviderOne Billing and Resource Guide](#) for instructions on how to verify a client’s eligibility.

## What imaging procedures require medical necessity review by Qualis Health?

The agency and Qualis Health have contracted to provide web-based submittal for utilization review services to establish the medical necessity of selected procedures. Qualis Health conducts the review of the request to establish medical necessity, but **does not** issue authorizations. Qualis Health forwards its recommendations to the agency for final authorization determination. For additional information see *Medical Necessity Review by Qualis Health* in the agency’s [Physician-Related Services/Health Care Professional Services Billing Guide](#).

Cardiac Imaging (SPECT)	
Ht muscle image spect sing	78451
Ht muscle image spect mult	78452
Ht muscle image planar sing	78453
Ht musc image planar mult	78454

# Authorization

[\(WAC 182-531-0200\)](#)

Authorization is the agency's approval for covered services, equipment, or supplies before the services are provided to clients, as a precondition for provider reimbursement. **Prior authorization (PA), expedited prior authorization (EPA), and limitation extensions (LE) are forms of authorization.**

## Prior authorization (PA)

### What is PA?

PA is the process the agency uses to authorize a service before it is provided to a client. The PA process applies to covered services and is subject to client eligibility and program limitations. Bariatric surgery is an example of a covered service that requires PA. PA does not guarantee payment.

For psychiatric inpatient authorizations, see the agency's current [Inpatient Hospital Billing Guide](#).

**Note:** In addition to receiving PA, the client must be on an eligible program. For example, a client on the Family Planning Only program would not be eligible for bariatric surgery.

For examples on how to complete a PA request, see [Authorization for Services](#).

**Note:** The agency reviews requests for payment for noncovered health care services according to [WAC 182-501-0160](#) as an exception to rule (ETR).

### How does the agency determine PA?

For information on how the agency determines PA, see the [Physician-Related Services/Health Care Professional Services Billing Guide](#).

### Services requiring PA

[\(WAC 182-531-0200 \(4\)-\(6\)\)](#)

See the agency's [Physician-Related Services/Health Care Professional Services Billing Guide](#).

## Documentation requirements for PA or LE

Authorization Documentation	
How do I obtain PA or an LE?	<p>The following documentation is required for all PA and LE requests:</p> <ul style="list-style-type: none"> <li>• A completed, TYPED <i>General Information for Authorization</i> form, <a href="#">13-835</a>. This request form MUST be the initial page of the request.</li> <li>• A completed <i>Fax/Written Request Basic Information</i> form, <a href="#">13-756</a>, if there is not a form specific to the service being requested, and all the documentation is listed on this form with any other medical justification.</li> </ul> <p>Fax the request to: (866) 668-1214. See the agency's <a href="#">Resources Available</a> web page.</p>
Forms Available to Submit Authorization Requests	
<ul style="list-style-type: none"> <li>• <i>Botulinum Toxin Provider Questionnaire</i>, <a href="#">13-003</a></li> <li>• <i>Application for Chest Wall Oscillator</i>, <a href="#">13-841</a></li> <li>• <i>Bariatric Surgery Request</i> form, <a href="#">13-785</a></li> <li>• <i>Fax/Written Request Basic Information</i> form, <a href="#">13-756</a></li> <li>• <i>Insomnia Referral Worksheet</i>, <a href="#">13-850</a></li> <li>• <i>Oral Enteral Nutrition Worksheet</i>, <a href="#">13-743</a></li> <li>• <i>Out of State Medical Services Request</i> form, <a href="#">13-787</a></li> </ul>	
Forms Available to Submit Authorization Requests for Medication	
<ul style="list-style-type: none"> <li>• Acetaminophen Injection, J0131, use <i>Basic Information</i> form, <a href="#">13-756</a></li> <li>• Alglucosidase alfa (lumizyme) 10 mg, J0221, use <i>Basic Information</i> form, <a href="#">13-756</a></li> <li>• Belimumab injection, J0490, use <i>Basic Information</i> form, <a href="#">13-756</a></li> <li>• Cimzia (Certolizumab pegol Inj.), J0718, use <i>CIMZIA J0718 Request</i> form, <a href="#">13-885</a></li> <li>• Ceftaroline fosamil injection, J0712, use <i>Fax/Written Request Basic Information</i> form, <a href="#">13-756</a></li> <li>• Ipilimumab injection, J9228, use <i>Fax/Written Request Basic Information</i> form, <a href="#">13-756</a></li> <li>• Mannitol for inhaler, J7665, use <i>Fax/Written Request Basic Information</i> form, <a href="#">13-756</a></li> <li>• Pegloticase injection, J2507, use <i>Fax/Written Request Basic Information</i> form, <a href="#">13-756</a></li> <li>• Photofrin (Porfimer Sodium Inj.) 75mg, J9600, use <i>Fax/Written Request Basic Information</i> form, <a href="#">13-756</a></li> <li>• Prolia (Denosumab Inj.), J0897, use <i>Fax/Written Request Basic Information</i> form, <a href="#">13-756</a></li> <li>• Tysabri (Natalizumab Inj.) J2323, use <i>TYSABRI J2323 Request</i> form, <a href="#">13-832</a></li> </ul>	

## Written or fax PA

Written or fax PA is available to providers when a procedure's EPA criteria have not been met or the covered procedure requires PA. Procedures that require PA are listed in the fee schedule. The agency does not retrospectively authorize any health care services that require PA after they have been provided except when a client has delayed certification of eligibility.

When submitting a written or fax PA request, provide:

- The *General Information for Authorization* form, [13-835](#). This form must be page one of the mailed/faxed request and must be typed.
- The program form. This form must be attached to the request.
- Charts and justification to support the PA request.

**Submit written or fax PA requests (with forms and documentation) to:**

- **By Fax:** (866) 668-1214
- **By Mail:**  
Authorization Services Office  
PO Box 45535  
Olympia, WA 98504-5535

For a list of forms and where to send them, see [Documentation requirements for PA or LE](#). Be sure to complete all information requested. The agency returns incomplete requests to the provider.

### **Submission of photos and X-rays for medical and DME requests**

For submitting photos and X-rays for medical and DME requests, use the FastLook™ and FastAttach™ services provided by Medical Electronic Attachment, Inc. (MEA).

Register with MEA by:

- Going to [www.mea-fast.com/](http://www.mea-fast.com/).
- Selecting Provider Registration (on the menu bar below the banner).
- Entering "FastWDSHS" in the blue promotional code box.

Contact MEA at 888-329-9988, ext. 2, with any questions.

When this option is chosen, fax the request to the agency and indicate the MEA# in the NEA field (box 18) on the *PA Request* form. **There is an associated cost, which will be explained by the MEA services.**

**Note:** See the agency’s [ProviderOne Billing and Resource Guide](#) for more information on requesting authorization.

## Expedited prior authorization (EPA)

EPA is designed to eliminate the need for written authorization. The agency establishes authorization criteria and identifies the criteria with specific codes, enabling providers to create an EPA number using those codes.

To bill the agency for diagnostic conditions, procedures and services that meet the EPA criteria on the following pages, the provider must **create a 9-digit EPA number**. The first five or six digits of the EPA number must be **87000** or **870000**. The last 3 or 4 digits must be the code assigned to the diagnostic condition, procedure, or service that meets the EPA criteria (see [EPA Criteria Coding List](#) for codes). Enter the EPA number on the billing form in the authorization number field, or in the **Authorization** or **Comments** section when billing electronically.

**Example:** The 9-digit authorization number for a client with the following criteria would be **870000421**:

Client is age 11 through 55 and is in one of the at-risk groups because the client meets one of the following:

- 1) Has terminal complement component deficiencies
- 2) Has anatomic or functional asplenia
- 3) Is a microbiologist who is routinely exposed to isolates of **Neisseria meningitides**
- 4) Is a freshman entering college who will live in a dormitory

**870000** = first six digits of all EPA numbers. **421**= last three digits of an EPA number indicating that the above criteria is met.

The agency denies claims submitted without a required EPA number.

The agency denies claims submitted without the appropriate diagnosis, procedure code, or service as indicated by the last three digits of the EPA number.

The billing provider must document in the client’s file how the EPA criteria were met and make this information available to the agency on request. If the agency determines the documentation does not support the criteria being met, the claim will be denied.

**Note:** The agency requires written/fax PA when there is no option to create an EPA number.

## EPA guidelines

### Documentation

The provider must verify medical necessity for the EPA number submitted. The client’s medical record documentation must support the medical necessity and be available upon the agency’s request. If the agency determines the documentation does not support the EPA criteria requirements, the claim will be denied.

**Note:** For enteral nutrition EPA requirements, refer to the *Prior Authorization* section in the agency’s [Enteral Nutrition Billing Guide](#).

## EPA Criteria Coding List

**A complete EPA number is 9 digits.** The first five or six digits of the EPA number must be **87000 or 870000**. The last 3 or 4 digits must be the code assigned to the diagnostic condition, procedure, or service that meets the EPA criteria.

If the client does not meet the EPA criteria, PA is required (see [Prior Authorization](#)).

EPA Code 87000-	Service Name	CPT/HCPCS/ Dx Code	Criteria
<b>1363</b>	Bone mineral density testing with dual x-ray absorptiometry (DXA) - initial screening	<b>CPT codes:</b> 77080, 77081	Bone mineral density testing with dual x-ray absorptiometry (DXA) is a covered benefit with the following conditions:  <i>Asymptomatic women</i> <ul style="list-style-type: none"> <li>Women 65 years of age and older or</li> <li>Women 64 years of age and younger with equivalent ten year fracture risk to women age 65 as calculated by FRAX (Fracture Risk Assessment) tool or other validated scoring tool</li> </ul> <i>Men or women</i> <ul style="list-style-type: none"> <li>Long term glucocorticoids (i.e. current or past exposure to glucocorticoids for more than 3 months) or</li> </ul> Androgen deprivation or other conditions known to be associated with low bone mass

EPA Code 87000-	Service Name	CPT/HCPCS/ Dx Code	Criteria
1364	Bone mineral density testing with dual x-ray absorptiometry (DXA) - repeat test	<b>CPT codes:</b> 77080, 77081	Repeat bone mineral density testing with dual x-ray absorptiometry (DXA) is a covered benefit when the client meets one of the following: <ul style="list-style-type: none"> <li>• T-score** &gt; -1.5, 15 years to next screening test</li> <li>• T-score -1.5 to -1.99, 5 years to next screening test</li> <li>• T-score ≤ -2.0, 1 year to next screening test</li> </ul> Or Use of medication associated with low bone mass or presence of a condition known to be associated with low bone mass
1368	Testosterone testing	<b>CPT codes:</b> 84402, 84403	For males age 19 and older and at least one of the following conditions are met: <ul style="list-style-type: none"> <li>• Suspected or known primary hypogonadism</li> <li>• Suspected or known secondary hypogonadism with organ causes such as:                             <ul style="list-style-type: none"> <li>✓ Pituitary disorder</li> <li>✓ Suprasellar tumor</li> <li>✓ Medications suspected to cause hypogonadism</li> <li>✓ HIV with weight loss</li> <li>✓ Osteoporosis</li> </ul> </li> <li>• Monitoring of testosterone therapy</li> </ul>

## **Limitation extension (LE)**

### **What is an LE?**

LE is an authorization of services beyond the designated benefit limit allowed in Washington Administration Code (WAC) and agency billing guides.

### **How do I request an LE?**

For information on how to request an LE, see [documentation requirements for PA or LE](#) and the agency's [Physician-Related Services/Health Care Professional Services Billing Guide](#).

# Outpatient prospective payment system (OPPS)

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## How does the agency pay for outpatient hospital services?

The agency pays for outpatient hospital services using several payment methods including, but not limited to, the following:

- Enhanced ambulatory patient group (EAPG)
- Maximum allowable fee schedule
- Ratio of costs-to-charges (RCC)

The agency's outpatient Prospective payment system (OPPS) uses an EAPG-based reimbursement method as its primary reimbursement method. The agency uses the EAPG software provided by 3M™ Health Information Systems to group OPPS claims based on services performed and resource intensity.

**Note:** Only hospitals paid by the agency using the Critical Access Hospital payment methodology are exempt from OPPS. See WAC [182-550-7000](#).

## How does the agency determine the payment method for OPPS?

The agency's payment method for OPPS is generally determined by the procedure and revenue codes on the claim line(s). The agency pays OPPS hospitals using the following methods in the following order:

- The EAPG method is used to pay for covered services for which 3M™ Health Information Systems has established an EAPG weight.
- The fee schedule is used to pay for covered services for which there is no established EAPG weight and for services exempted from EAPG payment.
- The hospital's outpatient RCC, as described in WAC [182-550-4500](#), is used to pay for the covered services for which the agency has not established a maximum allowable fee.

## What is the OPPS payment calculation?

(WAC [182-550-7600](https://www.wa.gov/legislative-services/wac))

The agency calculates the EAPG payment as follows:

$$\begin{aligned} \text{EAPG payment} = & \\ & \text{EAPG relative weight} \times \\ & \text{Hospital-specific conversion factor} \times \\ & \text{Discount factor (if applicable)} \times \\ & \text{Policy adjustor (if applicable)} \end{aligned}$$

The total OPPS claim payment is the sum of the EAPG payments plus the sum of the allowed amounts for each non-EAPG service.

If a client's third-party liability insurance has made a payment on a service, the agency subtracts any such payments made from the Medicaid allowed amount.

## OPPS payment enhancements

The agency has established policy adjustors for the following services effective July 1, 2014:

Adjustment	Service	Adjustor
Pediatric	EAPG services for clients under age 18 years	1.35
Chemotherapy and Combined Chemotherapy/Pharmacotherapy	Services grouped as chemotherapy drugs or combined chemotherapy and pharmacotherapy drugs	1.1

# Billing and Claim Forms

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## **Effective for claims billed on and after October 1, 2016**

All claims must be submitted electronically to the agency, except under limited circumstances.

For more information about this policy change, see [Paperless Billing at HCA](#).

This billing guide still contains information about billing paper claims.

This information will be updated effective January 1, 2017.

## What are the general billing requirements?

Providers must follow the agency's [ProviderOne Billing and Resource Guide](#). These billing requirements include, but are not limited to, all of the following:

- What time limits exist for submitting and resubmitting claims and adjustments
- When providers may bill a client
- How to bill for services provided to primary care case management (PCCM) clients
- How to bill for clients eligible for both Medicare and Medicaid
- How to handle third-party liability claims
- What standards to use for record keeping

## What additional outpatient hospital billing requirements are there?

Providers are required to bill according to National Correct Coding Initiative (NCCI) standards. NCCI standards are based on coding conventions defined in the American Medical Association's Current Procedural Terminology (CPT®) manual, current standards of medical and surgical coding practices, input from specialty societies, and analysis of current coding practices. The Centers for Medicare and Medicaid Services (CMS) maintains NCCI policy.

Information on [NCCI](#) can be found online.

The agency payment systems require consistent input to operate correctly. Providers are required to comply with these standards for the agency to make accurate and timely payment.

All hospitals must bill all claims in a completely OPPS-ready format, as outlined by CMS, and:

- Use CMS acceptable procedure codes where required.
- Use appropriate modifiers.

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CPT® codes and descriptions only are copyright 2015 American Medical Association.

- Use appropriate units of service.
- Ensure all services provided on a single date of service are billed on the same claim form.

Hospitals are required to bill using applicable revenue codes, CPT® codes, HCPCS codes, and modifiers. All hospitals must use these codes and the line item date of service regardless of Outpatient Prospective Payment System (OPPS) participation. For a list of all procedures and their associated fees, see the agency's [Outpatient Prospective Payment System \(OPPS\) and Outpatient Hospitals Fee Schedule](#).

Outpatient short stay charges, emergency room facility charges, and labor room charges are covered in combination when time periods **do not** overlap.

Hospitals must report the line item service date, the admit hour, and the discharge hour on every outpatient claim.

Multiple visits on the same day must be unrelated in order to receive more than one payment.

Physicians' professional fees must be billed on a CMS-1500 claim form (see the agency's [Physician-Related Services/Health Care Professional Services Billing Guide and Fee Schedule](#)) and must be billed under the physician NPI.

**Note:** All services for the same episode of care or visit must be on the same claim.

## How is billing different for outpatient hospital services in hospital-based clinics?

The agency requires clinics to bill for outpatient services in one of the following ways:

- If the Department of Health (DOH) has designated the clinic as a hospital-based entity, for the agency to reimburse the clinic and the associated hospital for services provided to Washington Apple Health clients, the hospital must submit to the agency a UB-04 or 837I claim form with the facility fees in form locator 47.
- If DOH has not designated the clinic as a hospital-based entity, the clinic must submit to the agency a CMS-1500 or 837P claim form containing both of the following:
  - ✓ The facility and the professional fees in field 24F
  - ✓ The place of service (POS) 11 (office setting) in field 24B

Medicare and Medicaid policy prohibit the hospital from billing a facility fee in this circumstance. The agency will reimburse the clinic the nonfacility setting fee.

In both of the above circumstances, clinics must follow the current instructions in this billing guide related to billing for outpatient services in an office setting.

## What are packaged (bundled) services?

Using the EAPG system, the agency packages (bundles) some ancillary services. This simply means these services are included in the EAPG payment rate for a significant procedure or medical visit, rather than being separately reimbursed.

**For example:** A chest X-ray may be packaged into the payment for a pneumonia visit. Although the detail of the packaged ancillary will show an allowed amount of \$0, the packaging of ancillary services does not imply that there is no payment associated with the packaged ancillary. The cost of the packaged ancillaries is included in the payment amount for the significant procedure or medical visit EAPG.

The ancillary services to be packaged are selected primarily on clinical grounds, as established by the EAPG system. So, only ancillaries clinically expected to be a routine part of the specific procedure or medical visit are packaged.

**Note:** The agency will deny ancillary services not separately reimbursable if the primary procedure is denied and there is no significant procedure or medical visit to which the ancillary service can be packaged.

## Where can I find applicable procedure codes?

The agency's [Outpatient Prospective Payment System \(OPPS\) and Outpatient Hospitals Fee Schedule](#) is a systematic listing and coding of procedures and services provided in outpatient settings. This fee schedule is based on both CPT and Level II HCPCS books. Each procedure is identified by a five-character code to simplify reporting.

A legend outlining coverage indicators is located on the second tab of the fee schedule. The *Auth* column outlines potential limitations. See the parent program guidelines for additional information.

**Professional components** must be billed on a CMS-1500 claim form. See the agency's [Physician-Related Services/Health Care Professional Services Billing Guide](#).

## What modifiers do I bill with?

The agency follows the NCCI guidelines for the use of modifiers, and accepts only the following CPT® approved modifiers on outpatient claims:

Modifiers						
25	50	58	73	76	78	91
27	52	59	74	77	79	CA
XE	XP	XS	XU			

Inappropriate use of modifiers may result in claim line denials.

**Note:** Do not bill modifier 59 in combination with modifiers XE, XP, XS, or XU.

Modifier PO, department of a provider, and provider-based entities

Providers must bill with modifier PO for any outpatient hospital service furnished in an off-campus department of a provider, or by an off-campus provider-based entity.

For these purposes, a “campus” includes both of the following:

- The physical area immediately adjacent to the provider’s buildings
- Any other area or structure that is not strictly contiguous to the main building, but is located within 250 yards of the main building

**Note:** For a definition of “department of a provider” or “provider-based entity,” see [42 CFR 413.65\(a\) \(2\)](#).

Remote locations under 42 CFR 413.65(a) (2) and satellite facilities under 42 CFR 412.22(h) are exempt from the PO modifier billing requirement.

## Where can I find the revenue code grids?

The revenue code grids are located on the agency’s [Hospital Rates and Billing Guides](#) website.

Use only the revenue and procedure codes that appear in the revenue code grids on the website above when billing for any outpatient hospital services. Use of any other codes will result in delay or denial of your claim.

## How do I bill for services provided to CHAMPUS clients?

See the agency's [ProviderOne Billing and Resource Guide](http://www.hca.wa.gov/about-hca/health-technology-assessment/health-technology-reviews) to get information about billing for Civilian Health and Medical Programs of the Uniformed Service (CHAMPUS) clients.  
<http://www.hca.wa.gov/about-hca/health-technology-assessment/health-technology-reviews>

## How do I bill for noncovered services?

**The agency requires all services to be listed on the UB-04 claim form, whether they are covered or noncovered, per requirements by CMS and UB-04.**

The following are examples of **other** noncovered items for hospitals. If one of these items has a revenue code, report the appropriate code in the *noncovered* field on the UB-04 claim form. Services not identified by a revenue code should be placed under the subcategory **General Classification**.

- Bed scales (if person is ambulatory)
- Cafeteria
- Circumcision tray (routine circumcisions)
- Crisis counseling
- Crutches (rental only is covered, no instruction)
- Experimental or investigational medical services and supplies
- Father's pack (not medically necessary)
- Food supplements (except for qualified providers)
- Home health services
- Lab handling charges
- Medical photographic electronic and video records
- Non-patient room rentals
- Operating room set-up (when not utilized)
- Oxygen equipment set-up (when not utilized)
- Personal care items (e.g., slippers, toothbrush, combs)
- Portable x-ray charges (portable charge fee is included in fee for procedures)
- Psychiatric day care
- Recreational therapy
- Routine tests and procedures (e.g., admission batteries, pre-anesthesia chest x-rays, fetal monitoring, etc.) are only covered if medically necessary\* and approved by physician.
- Standby equipment charges (for oxygen, anesthesia, and surgery when no actual service is performed)
- Take home drugs/supplies
- Telephone/telegraph/fax
- Transportation (provided during hospital stay)
- Travel time

- Whole blood (Administration of blood is covered. These charges must clearly indicate administration fees.)

## How do I bill for single-dose vials?

For single-dose vials, bill for the total amount of the drug contained in the vial(s), including partial vials. Based on the unit definition for the HCPCS code, the agency pays providers for the total number of units contained in the vial.

**For example:** If a total of 150 mg of Etoposide is required for the therapy, and two 100 mg single dose vials are used to obtain the total dosage, then the total of the two 100 mg vials is paid. In this case, the drug is billed using HCPCS code J9181 (Etoposide, 10 mg). If the agency's maximum allowable fee is \$4.38 per 10 mg unit, the total allowable is \$87.60 (200 mg divided by 10 = 20 units x \$4.38).

For agency requirements on splitting single dose vials, see *Billing for single-dose vials (SDV)* in the agency's [Prescription Drug Program Billing Guide](#).

## How do I bill for multi-dose vials?

For multi-dose vials, bill **only** for the amount of the drug administered to the client. Based on the unit definition (rounded up to the nearest whole unit) of the HCPCS code, the agency pays providers for only the amount of drug administered to the client.

**For example:** If a total of 750 mg of Cytarabine is required for the therapy, and is taken from a 2,000 mg multi-dose vial, then only the 750 mg administered to the client is paid. In this case, the drug is billed using HCPCS code J9110 (Cytarabine, 500 mg). If the agency's maximum allowable fee is \$23.75 per 500 mg unit, the total allowable is \$47.50 [750 mg divided by 500 = 2 (1.5 rounded) units x \$23.75].

## How do independent labs bill for pathology services?

The agency requires independent laboratories to bill hospitals for the technical component of anatomic pathology services provided to hospital inpatients and outpatients. To prevent duplicate payment, the agency will not pay independent laboratories if they bill the agency for these services.

**Note:** Effective July 1, 2014 the agency replaced CMS policy for type of bill 141 with the EAPG payment system. See [How does the agency determine the payment method?](#)

## How does the agency pay for outpatient observation?

The agency follows the logic of the EAPG grouper for outpatient observation services.

### Observation EAPG payment policy

Under the EAPG system, there are five different observation EAPGs.

#### **EAPG 450**

*G0378 is present*

- If there is also a Medical Visit Indicator (EAPG 491) the line receives full payment
- If G0378 is billed with less than 8 units, the line groups to EAPG 0999
- If G0378 is billed with a significant procedure, the line is packaged
- If there is also an Observation Indicator (EAPG 492) then the line will group to EAPG 500, 501, or 502
- If no Medical Visit Indicator, Observation Indicator, or no significant procedure, the line will group to EAPG 0999

#### **EAPG 492**

*G0379 or an observation E/M is present*

- If billed with a significant procedure, this line is packaged
- If billed with G0378, then the line will group to EAPG 500, 501, or 502
- If billed without a significant procedure or G0378, the line groups to EAPG 0999

#### **EAPG 500**

*This EAPG is assigned and receives full payment if all of the following criteria are met:*

- There is an Observation Indicator present
- G0378 is present
- The principal diagnosis is obstetrical

#### **EAPG 501**

*This EAPG is assigned and receives full payment if both of the following criteria are met:*

- There is an Observation Indicator present
- G0378 is present

**EAPG 502**

*This EAPG is assigned and receives full payment if all of the following criteria are met:*

- There is an Observation Indicator present,
- G0378 is present
- The principal diagnosis is behavioral health

**Note:** Observation E/M codes are noted as 99217-99220, 99224-99226, and 99234-99236. The procedure code must be covered to qualify.

EAPG 0999 cannot be grouped and lines returning this value are denied.

Observation is defined as an hourly code and has a maximum of 24 units per date of service. Units over this amount are not valid and may cause the line to deny.

## How do I bill for neonates/newborns?

For services provided to a newborn who has not yet received his/her Services Card, bill the agency using the parent’s ProviderOne Client ID in the appropriate fields on the UB-04 claim form.

When billing electronically for twins, enter twin identifying information in the comment or remarks area of the UB-04 claim form. For example, **Twin A, baby on Mom’s ProviderOne Client ID, Twin B.**

When billing on a **paper claim** for twins, enter the twin identifying information in the remarks box (box 80) in the lower left corner of the UB- 04 form. Use a separate UB-04 claim form for each newborn. The claim will be denied if there is no identifying information for the twin.

**Note:** Bill services for mothers on separate UB-04 claim forms.

For information regarding family planning services, including long acting reversible contraceptives (LARC), see the [Family Planning Billing Guide](#).

## How do I complete the UB-04 claim form?

Instructions on how to bill professional claims and crossover claims electronically can be found on the agency’s Billers and Providers web page, under Webinars. See [Medical provider workshop](#).

Detailed instructions on how to complete and bill according to the official UB-04 Data Specifications Manual is available from the [National Uniform Billing Committee](#).

**Note:** When billing for clients, make sure to include patient status.

## **How do I submit institutional services on a UB-04 crossover claim?**

- Complete the claim form as if billing for a non-Medicare client.
- Always attach the Explanation of Medicare Benefits (EOMB).
- Enter the third-party (e.g., Blue Cross) supplement plan name in the appropriate form locator. Enter **only** payments by a third-party (e.g., Blue Cross) supplement plan and attach the EOMB.

## **What does the agency require from the provider-generated Explanation of Medicare Benefits (EOMB) to process a crossover claim?**

**Header level information on the EOMB must include all the following:**

- Medicare as the clearly identified payer
- The Medicare claim paid or process date
- The client's name (if not in the column level)
- Medicare Reason codes
- Text in font size 12 or larger

**Column level labels on the EOMB for the UB-04 must include all the following:**

- The client's name
- From and through dates of service
- Billed amount
- Deductible
- Co-insurance
- Amount paid by Medicare (PROV PD)
- Medicare Reason codes
- Text that is font size 12