

Office of Medicaid–Health Safety Net

Health Safety Net

HSN FY16 Community Health Center Billing Guidance Payment Updates: October 1, 2015

Introduction

The Health Safety Net (HSN) pays for community health center (CHC) visits using payment methodologies similar to those used by Medicare. Medicare has recently transitioned to a prospective payment system (PPS) for CHC visits. The HSN has adopted a similar methodology for services provided on or after October 1, 2015. Examples of the new methodology are included at the end of this document.

Overview of PPS Payment Methodology

1. Allows only one payment per patient per day, except when a medical and behavioral health visit are provided on the same day, or in cases of subsequent illness or injury.
2. Uses geographic adjustment factors to determine rates by site location.
3. Includes enhanced rates for new patient and wellness visits.
4. Bases payment on the lesser of the charges for the visit or the applicable PPS visit rate. Charges for all codes that are being paid under the PPS rate are counted in the calculation.

1. Visits Included in PPS Payment Methodology

- A visit consists of all services provided on the same day for the same patient by the same provider that are payable at the PPS visit rate. All services included in the PPS rate will only be paid once per date of service per patient with two exceptions:
 - A behavioral health visit is payable in addition to other services included in the PPS visit rate.
 - A subsequent illness or injury is payable in addition to another PPS visit. Modifier 59 must be used to indicate the subsequent visit.
- Visits for the following services are included in the PPS rate calculation:
 - Medical evaluation and management
 - Vision diagnostic services
 - Certain surgical procedures
- Behavioral health services are paid using the PPS rate methodology but are counted as a separate visit.
- A complete list of services and their related payment methodology can be found in the [HSN CHC Billable Procedure Codes Guide](#) posted on the HSN website.

2. Geographic Adjustment Factor

- Geographic adjustment factors (GAF) will be applied to the national PPS base rate of \$158.85.
- There are two geographic regions in Massachusetts, Metro Boston and the Rest of Massachusetts. As of October 1, 2015, the GAFs in Massachusetts are as follows:
 - Metro Boston GAF: 1.085, base rate of \$172.35
 - Rest of Massachusetts GAF: 1.04, base rate of \$165.20
- The GAF is applied at the site level. As a result, some CHCs may have both GAFs represented within their organization.

3. New Patient and Wellness Visits

- New patient and wellness visits will both be paid at an enhanced rate. The rates for these services are as follows:
 - Metro Boston: \$230.95
 - Rest of Massachusetts: \$221.37
- A new patient visit may be for medical evaluation and management, behavioral health, or vision diagnostic services.
- For medical and vision services, a CPT code indicating a new patient visit must be used.
- For behavioral health, the applicable CPT code must be used in combination with code G0469 to indicate a new patient visit. The G code will act as an add-on, enhancing the established payment rate to pay the new patient visit rate.
- A patient may be considered a new patient only if they have not received services from the CHC within the last three years.
- Multiple new patient visit codes on the same day are not payable. If two new patient codes are billed for the same patient, a warning will appear on the validation report and the second line will \$0 pay.
- Modifier 59 is not allowable with a new patient visit code. Billing modifier 59 with a new patient visit code will cause the whole claim to deny.

4. Payment Calculation and Billing

- Payment for services provided under the PPS rate will be the lesser of the PPS rate or the billable charges payable under the PPS rate.
- The HSN is not requiring that all codes be billed on one claim. However, in order to ensure correct calculation of the charges to be included in the visit, the HSN can guarantee correct payment only if the charges for the visit are all on one claim.
- Providers are not required to bill claims with the G codes used by Medicare, with the exception that G0469 must be included on claims for new patient behavioral health visits in order to receive the enhanced payment rate. However, providers must continue to include all applicable CPT codes on HSN claims.

Other HSN Payment Rules Have not Changed

- All other services provided by CHCs that are not included in the PPS rate (such as radiology, laboratory, vaccines, obstetrics, etc.) will continue to be paid using a fee schedule.
- Secondary claims will continue to be paid the lesser of the estimated amount due and what would have been paid if the HSN were the primary payer.
- Partial claims will continue to be paid 80% of what would have otherwise been paid, unless the claim is coded to indicate that the deductible has been met.

Examples Using New PPS Methodology

Example 1: Medical Visit

Codes	Description	Charges	Region	Code Rate
99212	Established patient visit	\$103.00	Rest of MA	\$165.20
99407	Tobacco cessation	\$25.00	Rest of MA	\$165.20
	Total Charges	\$128.00	Rate Total	\$330.40

Visit Charges: \$128.00 (\$103.00 + \$25.00)

Visit PPS Rate: \$165.20

Payment Amount: \$128.00

Both of the codes on the claim are considered PPS visits, and the PPS Rate is only payable once per patient, per day. The charges for both codes, however, are included in the calculation. In this case, the total charges are less than the PPS Rate, so the HSN would pay the total charges for this patient.

Example 2: Medical and Behavioral Health Visit

Codes	Description	Charges	Region	Code Rate
99213	Established patient visit	\$195.00	Metro Boston	\$172.35
90834	Psychotherapy, 45 min.	\$160.00	Metro Boston	\$172.35
	Total Charges	\$355.00	Rate Total	\$344.70

Medical Visit Charges: \$195.00
 Medical Visit PPS Rate: \$172.35

Behavioral Health Visit Charges: \$160.00
 Behavioral Health Visit PPS Rate: \$172.35

Payment Amount: \$332.35 (172.35+160.00)

Since one code is for a behavioral health visit and the other is for a medical visit, both codes can be paid. In this case, the charges for the medical visit are greater than the PPS rate but the charges for the behavioral health visit are less than the PPS rate. Therefore, the claim would be using the PPS rate for the medical visit and the charges for the behavioral health visit.

Example 3: New Patient Medical and Ancillary

Codes	Description	Charges	Region	Code Rate
99201	New patient visit	\$134.00	Metro Boston	\$230.95
90672	Influenza vaccine	\$20.00	Metro Boston	\$25.74
	Total Charges	\$154.00	Rate Total	\$256.69

Visit Charges: \$134.00
 Visit PPS Rate: \$230.95

Payment Amount: \$159.74 (\$134 + \$25.74)

Since other services, such as vaccines, are paid in addition to visits paid at the PPS Rate, neither the vaccine's charges nor its rate are included in the PPS calculation. The charges for the new patient visit are less than the PPS Rate so they will be included in the final payment amount. Vaccines are paid using current rates, regardless of their charges, so the total payment amount for this claim is the sum of the new patient visit charges and the influenza vaccine rate.

Example 4: New Patient Behavioral Health Visit

Codes	Description	Charges	Region	Code Rate
90836	Psychotherapy, 45 min.	\$220.00	Metro Boston	\$172.35
G0469	Behavioral health, new patient	\$115.00	Metro Boston	\$58.60
	Total Charges	\$335.00	Rate Total	\$230.95

Behavioral Health Visit Charges: \$220.00
 Behavioral Health Visit PPS Rate: \$172.35
 G0469 Add-On Rate: \$58.60

Payment Amount: \$230.95 (\$172.35 + \$58.60)

The charges for the G code are not included in the calculation. Rather, the G code is an add-on code and is only used to determine whether a code should be paid at the new patient behavioral health rate and for what amount. Since the PPS Rate is lower than the charges, it will be paid, along with the rate for the G code. The combined total of these codes equals the overall new patient visit rate for the Metro Boston region.