

**CALIFORNIA DEPARTMENT OF HEALTH CARE SERVICES (DHCS)  
CLINICAL ASSURANCE DIVISION (CAD)  
PUBLIC HOSPITAL PROJECT  
Technical Workgroup Teleconference  
June 6, 2022 Teleconference Minutes**

**Teleconference Attendees on Behalf of the Department:**

<u>Name</u>	<u>Organization</u>
1. Dr. Timothy Van Natta	DHCS CAD
2. Tyra Taylor	DHCS CAD
3. Dr. Steven Kmucha	DHCS CAD
4. Dr. Thomas Mahoney	DHCS CAD
5. Emily Perez	DHCS CAD
6. Shanell White	DHCS CAD
7. Jillian Hart	DHCS CAD
8. Cynthia Hicks	DHCS CAD
9. Richard Luu	DHCS CAD
10. Erik Labhard	DHCS CAD
11. Janelle Jones	DHCS CAD
12. Lauren Palmer	DHCS CAD
13. Monique Doduc	DHCS CAD
14. Laura Watkins	DHCS CAD
15. Angela Carlos	DHCS CAD
16. Becky See	DHCS A&I
17. Stephan Fukasawa	DHCS A&I
18. James Cheng	DHCS A&I
19. Jason Perisho	DHCS OLS
20. Ahmad Asir	DHCS OLS

**Handouts**

Each participant was e-mailed an agenda. In addition, a link to the Designated Public Hospitals (DPH) website for minutes from previous meetings was also provided.

**Agenda Item I: Introductions**

**Agenda Item II: Midnight Rule – NICU**

**Discussion:** CAD understands the Provider Manual provides mention of the Midnight Rule for Neonatal Intensive Care Units, however, CAD recommends to bill Medi-Cal based on the level of care (LOC) provided to the beneficiary. Consequently, documentation must establish the medical justification that supports the billed LOC.

### **Agenda Item III: Awaiting Hemodialysis Placement**

**Discussion:** It was brought to CAD's attention that when awaiting hemodialysis placement, particular standardized medical review criteria software (i.e. InterQual) would provide for Acute Inpatient Days up to seven (7) days, and then expire.

Because of the difficulty finding an outpatient dialysis center, there was a question of whether it is allowable to bill administrative days while awaiting placement.

As a reminder, Acute Administrative Days (AAD) are designed with regard to the Designated Public Hospitals for Skilled Nursing Facility placement only.

The following will **not** qualify for AAD if the intention is to discharge an inpatient beneficiary to:

- a psychiatric facility
- a homeless shelter
- a respite care center
- a board and care facility
- an acute rehabilitation facility
- **outpatient dialysis clinic for ongoing treatment**

CAD understands the potential difficulty finding outpatient dialysis centers to accept the beneficiary for chronic hemodialysis, however due to the statute provided in the Code of Regulations, DHCS is unable to make exceptions.

**Question:** What if the patient is COVID positive and awaiting hemodialysis placement?

**Answer:** Yes, billing acute administrative days is allowable per the COVID Flexibilities for this scenario. Keep in mind that the appropriate documentation must be presented showing that the patient is COVID positive and, therefore is unable to be discharged to a dialysis clinic.

### **Agenda Item IV: Fee-for-Service vs. Managed Care**

**Discussion:** Due to the implementation of CalAIM, significant movement of beneficiaries have moved from Fee-for-Service (FFS) to Managed Care this year, and increased movement is expected.

If a provider is experiencing difficulty from a beneficiary shifting from FFS to Managed Care, or vice versa, in the middle of a hospitalization, it is recommended that providers contact the Designated Public Hospital Project's inbox: [PublicHospitalProject@dhcs.ca.gov](mailto:PublicHospitalProject@dhcs.ca.gov)

## **Agenda Item V: Quarterly Denied Days**

**Discussion:** The Winter Denied Medi-Cal Days data for dates of admission January 1, 2022 – March 31, 2022 is due on or before June 30, 2022.

## **Agenda Item VI: COVID Flexibilities**

**Discussion:** CAD will accommodate COVID flexibilities until the dates of service match those of the Public Health Emergency's expiration date.

## **Agenda Item VII: Open Forum**

**Question:** How do you split the days to bill when the Managed Care Plan (MCP) pays at DRG and Medi-Cal FFS, and eligibility changes in the middle?

**Answer:** If eligibility for first month of stay is Medi-Cal FFS but then changes to MCP for remainder of stay, the claim will need to be split billed. The first month is billed to Medi-Cal FFS as the beneficiary under FFS is eligible for a daily per diem reimbursement until coverage changes and is allowed to interim bill. The remainder would be billed to the MCP.

**Example:** Beneficiary admitted 1/10/2022 and discharged 2/26/2022. Beneficiary is eligible with Medi-Cal FFS for January 2022. Beneficiary is eligible for MCP beginning in February 2022. One claim will be billed to Medi-Cal FFS with DOS (dates of service) from 1/10/2022 through 1/31/2022. Another claim will be billed to MCP with DOS from 2/1/2022 through 2/26/2022.

**Question:** As asked previously, what is the effective date for when there is a change from Managed Care to FFS?

**Answer:** With a movement into managed care, the effective date is the 1<sup>st</sup> of the month. CAD will work directly with MCO to assist providers that are experiencing difficulties related to this. Please contact the Designated Public Hospital Project's inbox: [PublicHospitalProject@dhcs.ca.gov](mailto:PublicHospitalProject@dhcs.ca.gov).

**Question/Scenario:** A pregnant patient is admitted to the ED then admitted for observation, therefore not meeting InterQual acute criteria. The next day, the patient is admitted to inpatient status and undergoes procedure for ectopic pregnancy and later that day discharged. Can we be reimbursed for at least 1 of the days?

**Answer:** In this scenario, the day of discharge would be the same as the day of the inpatient admission. If the inpatient admission day met inpatient acute criteria then that day can be billed as specified in the Medi-Cal Provider Manual (specifically page 2): <https://files.medi-cal.ca.gov/pubsdoco/publications/masters-mtp/part2/ubspecip.pdf>

**Question/Scenario:** Beneficiary needs to be admitted for medical reasons, since they do not meet the inpatient criteria, and they only spend overnight, we often struggle to justify approving these cases. Can we approve the first day of admission, even though they do not meeting the InterQual criteria? In addition, InterQual is designed to meet the Medicare rule for two (2) midnight stays. Since they do not meet the two (2) midnight rule, the patients are placed in observation until they meet the inpatient criteria.

**Answer:** CAD understands that observation is designed for Medicare, and there may be difficulties when associating the stays to Medi-Cal. If the stay meets InterQual, it is straightforward, but if it does not, CAD recommends to continue the use of a secondary review, further explaining the situation and medical justification.

**Question:** Will DHCS ever consider paying providers for Observation status?

**Answer:** Medi-Cal does not recognize Observation status. If it is Observation status, Medicare beneficiaries are paid through Medicare part B. CAD reviews for criteria to justify as an acute day and if review criteria does not meet, CAD recommends to continue the use of a secondary review, providing the explanation of care provided.

**Question:** Does DHCS have an approved inpatient surgical procedure list?

**Answer:** In Medi-Cal, there is no approved inpatient procedure list.

**Question:** Will providers be able to base on the Centers for Medicare and Medicaid Services' Inpatient Only (IPO) list?

**Post-Meeting Answer Clarification:** Yes, DHCS FFS will defer to providers' citing InterQual criteria's having been met. This is a legitimate way for providers to adjust to the fact that Medi-Cal does not have its own inpatient/outpatient list. Where applicable, CAD will defer to InterQual. For anything falling outside of InterQual criteria, CAD will consider secondary reviews and approach things on a case-by-case basis.

**Agenda Item VIII: Next Meeting Date – Monday, September 12, 2022 at 11:00 am**