



# Medi-Cal Update

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Print Medi-Cal Update 

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### 1. Two HCACs Added to Provider-Preventable Conditions

Two Hospital-Acquired Conditions (HACs), which by federal regulations automatically become Medicaid Health Care-Acquired Conditions (HCACs), have been added to the list of Provider-Preventable Conditions (PPCs).

The first new HCAC is surgical site infection (SSI) following cardiac implantable electronic device (CIED) procedures. The second HCAC is iatrogenic pneumothorax following venous catheterization.

The federal requirement for inpatient hospitals to report the two new HCACs and for Medicaid to adjust payment for them is effective for dates of service on or after October 1, 2012.

More information on PPCs is available on the [PPC](#) page of the Medi-Cal website. The [final rule](#) document detailing the Centers for Medicare & Medicaid Services (CMS) regulations on PPCs is available on the Government Printing Office website.

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### 2. National Correct Coding Initiative Quarterly Update for October 2012

The Centers for Medicare & Medicaid Services (CMS) has released the quarterly National Correct Coding Initiative (NCCI) payment policy updates. These mandatory national edits will be incorporated into the Medi-Cal claims processing system and applied to claims effective for dates of service on or after October 1, 2012. For additional information, refer to the [NCCI Edits](#) page of the CMS website.

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### 3. Clinical Laboratory and Laboratory Services Reimbursement Rates

The Department of Health Care Services (DHCS), under the direction of Assembly Bill 1494 (Chapter 28, Statutes of 2012), is developing a new reimbursement rate setting methodology for clinical laboratory and laboratory services. AB 1494 also directs laboratory service providers to submit data reports by December 27, 2012 (six months after the date AB 1494 was enacted) to assist DHCS in establishing the reimbursement rates for impacted services.

DHCS extended the reporting date to January 31, 2013, and has developed proposed data elements for provider submission as part of the rate setting methodology.

In addition, DHCS has identified the CPT-4 and HCPCS codes that fall under the *California Code of Regulations* (CCR) Title 22, Section 51137.2, description of "Clinical Laboratory and Laboratory Services." Both the data elements and codes can be viewed on the [Clinical Laboratory and Laboratory Services Rate Methodology Change](#) Web page of the DHCS website.

## 4. Billing for Lab Service in a Skilled Nursing Facility (NF) Level A or B

Effective December 1, 2012, providers billing lab service for residents in a Skilled Nursing Facility (NF) Level A or B are required to enter the NF-A or NF-B as the referring provider.

This information is reflected in the following provider manual(s):

Provider Manual(s)	Page(s) Updated
Acupuncture Audiology and Hearing Aids Chiropractic Durable Medical Equipment General Medicine Medical Transportation Obstetrics Orthotics and Prosthetics Pharmacy Psychological Services Therapies	<a href="#">cms comp (9)</a>
Adult Day Health Care Centers AIDS Waiver Program Outpatient Clinics and Hospitals Chronic Dialysis Clinics Expanded Access to Primary Care Program Heroin Detoxification Home Health Agencies/Home and Community-Based Services Hospice Care Program Local Educational Agency Multipurpose Senior Services Program Rehabilitation Clinics	<a href="#">ub comp op (25)</a>

## 5. Rate Changes to Intermediate Care Facilities

The Department of Health Care Services (DHCS) has updated per diem provider reimbursement rates for Intermediate Care Facilities for the Developmentally Disabled (ICF/DD), ICF/DD-Habilitative (ICF/DD-H) and ICF/DD-Nursing (ICF/DD-N) only. In accordance with the *California Code of Regulations*, Title 8, Section 5199, these rate updates provide reimbursement for an Aerosol Transmissible Disease add-on, in order to compensate providers for the cost of vaccines, vaccinating employees, and for training required by the California Department of Industrial Relations, Division of Occupational Safety and Health.

Because the ICF/DD, ICF/DD-H and ICF/DD-N reimbursement rates continue to be frozen at the rates established in 2008 – 2009, the new rates also include an add-on for additional staffing needed due to the four mandated additional adult day health provider holidays beginning August 1, 2009 for ICF/DD-H and ICF/DD-N, and August 1, 2010 for ICF/DD. In addition, the new rates include a Quality Assurance Fee (QAF) add-on that takes into account the increase from a 5.5 percent to 6 percent QAF collection effective October 1, 2011.

The new rates shown in the following tables are effective for dates of service on or after August 1, 2011. Providers should bill using the new rates immediately. Providers do not need to resubmit claims to adjust their payments. Xerox State Healthcare, LLC will process any retroactive rate adjustments for claims paid at the prior rate for dates of service on or after August 1, 2011.

Facilities with all beds licensed as ICF/DD

Accommodation Codes	Total Beds		
	1 – 59	60+	60+ with a Distinct Part
41	\$176.91	\$163.62	\$163.62
43	\$170.63	\$157.34	\$157.34

Facilities with all beds licensed as ICF/DD-H

Accommodation Codes	Total Beds	
	4 – 6	7 – 15
61	\$188.19	
63	\$181.91	
65		\$204.53
68		\$198.25

Facilities with all beds licensed as ICF/DD-N

Accommodation Codes	Total Beds	
	4 – 6	7 – 15
62	\$214.50	
64	\$208.22	
66		\$222.69
69		\$216.41

This information is reflected in the following provider manual(s):

Provider Manual(s)	Page(s) Updated
Long Term Care	<a href="#">rate facil diem (4)</a>

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## 6. Updated Long Term Care Reimbursement Rates

The Department of Health Care Services (DHCS) has updated provider reimbursement rates for Distinct-Part (DP) Adult Subacute facilities. The rates are effective retroactively for dates of service on or after August 1, 2011.

DP Adult Subacute providers will be reimbursed at the lesser of their projected costs or at the maximum reimbursement rate for each category of reimbursement. The maximum rates for each peer group are available on the [Subacute Care Facilities](#) page of the DHCS website. DHCS will also notify providers of their specific rates in a separate letter.

Providers should immediately use the new rates for billing dates of services on or after August 1, 2011. Providers do not need to resubmit claims to adjust their payments. Xerox State Healthcare, LLC will reprocess any retroactive rate adjustments for applicable claims paid at the old rate for services provided on or after August 1, 2011.

This information is reflected in the following provider manual(s):

Provider Manual(s)	Page(s) Updated
Long Term Care	<a href="#">rate facil diem (5)</a>

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## 7. Administrative Day Rate Changes for Hospitals

The Department of Health Care Services (DHCS) has updated the administrative day rates statewide, and for Distinct Part Nursing Facilities (DP/NFs) Level B, effective for the following dates of service:

Effective Date	Reimbursement Rate
August 1, 2011	\$ 416.95
August 1, 2010	\$ 409.48
February 24, 2010	\$ 381.37

Providers should bill using the new rates immediately for dates of services on or after the dates indicated above. Providers do not need to rebill to adjust their payments. Xerox State Healthcare, LLC (Xerox) will process any retroactive rate adjustments for claims paid at the old rate for services provided on or after the above dates.

In accordance with *California Code of Regulations (CCR)*, Title 22, Section 51542, a DP/NF-B of an acute care hospital will receive the lesser of its projected costs or the maximum rate. Acute care hospitals without a DP/NF-B will receive the maximum rate.

This information is reflected in the following provider manual(s):

Provider Manual(s)	Page(s) Updated
Inpatient Services	<a href="#">admin (1)</a>

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## 8. Institutions for Mental Diseases Reimbursement Rates Update

Effective retroactively for dates of service on or after July 1, 2012, rates are increased 4.7 percent for selected Nursing Facilities Level B (NF-B) designated as Institutions for Mental Diseases (IMD). These facilities are exempt from the Assembly Bill 1629 facility-specific rate methodology and the Quality Assurance Fee program.

Accommodation Code	TOTAL BEDS 1 – 59			TOTAL BEDS 60 +		
	S.F.* Bay Area Counties	Los Angeles County	All Other Counties	S.F.* Bay Area Counties	Los Angeles County	All Other Counties
01	\$ 183.80	\$ 148.42	\$ 159.70	\$ 193.18	\$ 148.62	\$ 165.81
02	177.34	141.96	153.24	186.72	142.16	159.35
03	177.34	141.96	153.24	186.72	142.16	159.35
11	189.52	154.14	165.42	198.90	154.34	171.53
12	183.06	147.68	158.96	192.44	147.88	165.07

\* San Francisco Bay Area counties include: Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara and Sonoma

For more information, see “AB 360 (2005)” in the *Rates: Facilities* section of the Part 2 provider manual.

Also effective for dates of service on or after July 1, 2012, the rate reduction for IMD leave of absence and bed hold for acute hospitalization is updated to \$6.46 per diem.

This information is reflected in the following provider manual(s):

Provider Manual(s)	Page(s) Updated
Long Term Care	<a href="#">rate facil diem (3)</a>

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## 9. Emergency Service Providers Reminded to Check Claim Form's EMG Field

When billing for a transport service that was an emergency, providers are reminded of the requirement to check the *EMG* field (Box 24C on the *CMS-1500* claim form), which distinguishes emergency from non-emergency service claims. The *EMG* field (Box 24C) is thereby used for supplemental payment, payment reductions, exemptions and other rate or payment items. The sections listed below of the Part 2 provider manual provide further information:

- Medical Transportation – Air
- Medical Transportation – Air: Billing Codes and Reimbursement Rates
- Medical Transportation – Air: Billing Examples
- Medical Transportation – Ground
- Medical Transportation – Ground: Billing Codes and Reimbursement Rates
- Medical Transportation – Ground: Billing Examples

For assistance or more information, contact the Telephone Service Center (TSC) at 1-800-541-5555 or your local Provider Regional Representative.

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## 10. Northern Pharmacy Section TAR Address Change

Beginning December 15, 2012, pharmacy providers that submit *Treatment Authorization Requests* (TARs) by mail must send them to following address:

Southern Pharmacy Section  
PO Box 30653  
Los Angeles, CA 90030-0653

This operational change applies to all pharmacy providers located in California.

**This information is reflected in the following provider manual(s):**

Provider Manual(s)	Page(s) Updated
Audiology and Hearing Aids Adult Day Health Care Centers Chronic Dialysis Clinics Clinics and Hospitals Durable Medical Equipment General Medicine Heroin Detoxification Home Health Agencies/Home and Community-Based Services Hospice Care Program Inpatient Services Long Term Care Medical Transportation Obstetrics Orthotics and Prosthetics	<a href="#">tar field (4)</a>

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**Note:**

If you cannot view the MS Word or PDF (Portable Document Format) documents correctly, please visit the [Web Tool Box](#) to link to a download site for the appropriate reader.