MEMORANDUM

IHA Update: HFS Notices and Notifications Released Mid-December to Mid-February

Updates to Hospital Reimbursement Components Effective Jan. 1

The Illinois Dept. of Healthcare and Family Services (HFS) will not be updating grouper versions (as of Jan. 1, 2018) and will continue to utilize Grouper Version 33 of the 3M All Patient Refined Diagnosis Related Group (APR-DRG) payment system for inpatient claims and Grouper Version 3.11 of the Enhanced Ambulatory Patient Groups (EAPG) for outpatient claims.

HFS is updating components of the inpatient reimbursement system including the Medicare Inpatient Prospective Payment System (IPPS) labor share percentage, the Medicare IPPS wage index and the Medicare IPPS outlier cost-to-charge ratios. These updates will affect the base rates assigned to individual hospitals reimbursed under the APR-DRG grouper.

Effective with dates of service on or after Jan. 1, 2018, HFS is updating the Medicare IPPS wage index used in calculating the outpatient EAPG base rates.

The department is in the process of finalizing new hospital rate sheets as well as new inpatient and outpatient calculators. HFS will issue a notice when these resources have been posted along with a link to where they can be accessed on the department’s website.

See the provider notice for further details.

Contracting with HealthChoice Illinois Plans

HFS recently issued a notice stating: “Providers serving Medicaid patients are strongly encouraged to contract with HealthChoice Illinois plans now, in order to participate in the statewide managed care program in 2018. This will ensure that providers will be able to care for their Medicaid patients in the counties about to become part of HealthChoice Illinois.”
The following plans are participating in the HealthChoice Illinois program:

- Blue Cross Blue Shield of Illinois (Statewide)
- CountyCare (available only in Cook County)
- Harmony Health Plan (Statewide)
- IlliniCare Health Plan (Statewide)
- Meridian Health (Statewide)
- Molina Healthcare of Illinois (Statewide)
- NextLevel Health (available only in Cook County)

Review the notice for more details.

Expansion of Abortion Reimbursement Effective January 1, 2018
Pursuant to Public Act 100-0538 HFS will expand coverage of legal abortion services for eligible persons in the Medical Assistance Program. Prior to January 1, 2018, HFS reimbursed abortion services performed for the following reasons: when the woman's life is endangered; to end pregnancies resulting from rape or incest; or if necessary to protect a woman's health. For dates of service on or after January 1, 2018, HFS will reimburse abortion services for the following reasons: when the woman's life is endangered; to end pregnancies resulting from rape or incest; if necessary to protect a woman's health; and for any other reason. Review the notice for more details.

Changes to Professional Claims for Telehealth Services
HFS will continue to require use of the GT modifier (via interactive audio and video telecommunications systems) on professional claims for telehealth services after January 1, 2018. In addition, changes have been made to the requirement for a physician or other licensed health care professional to be physically present in the room with the patient receiving telehealth services. Review the notice for more details.

Use of Modifier 90 [Reference (Outside) Laboratory] for Hospital Fee-for-Service Outpatient Claims Billed on the 837P or HFS 2360 Claim Formats Effective March 1, 2018
Current Department policy states that if a reference laboratory has a financial agreement with a hospital to provide services for a hospital, then the hospital is entitled to bill the Department for both the professional and technical components of the service rendered at the lab for outpatient services. The hospital cannot bill for laboratory services done by a reference laboratory during an inpatient stay or when there is a billable Ambulatory Procedures Listing (APL) service. Effective with dates of service on and after March 1, 2018, hospitals will be required to identify outpatient lab services performed at a reference laboratory.
laboratory by utilizing modifier 90 - Reference (Outside) Laboratory in conjunction with the procedure code. Review the notice for more details.

Payment Error Rate Measurement (PERM) Audit
To comply with the Improper Payments Information Act of 2002, the federal Department of Health and Human Services, Centers for Medicare and Medicaid Services has implemented a Payment Error Rate Measurement (PERM) program, which measures improper payments within each state's Medicaid and Children's Health Insurance Program (CHIP) program. Each state is required to participate in PERM every three (3) years.

The FFY18 PERM period has begun and providers will be contacted to provide records to support the payment review of randomly sampled claims.

HFS issued a notice to remind providers that all services for which charges are made to HFS are subject to audit. Audits are an important and necessary part of HFS' monitoring of healthcare facilities and services, as required by federal and State law. Audit findings against a provider will result in the recovery of resulting overpayments. Audit findings against a provider may also result in sanctions or other penalties, including but not limited to: (1) termination or suspension of the provider's eligibility to participate as a Medicaid and/or CHIP provider; (2) suspension or denial of the provider's payments; and (3) civil monetary penalties. Review the notice for more details.

Updated Practitioner Fee Schedule

Updated Therapy Fee Schedule

Updated Podiatry Fee Schedule