

# Minnesota Workers' Compensation Inpatient Hospital Payments

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# Definitions

**CMS-** Centers for Medicare & Medicaid Services

**PC-Pricer-** CMS tool to determine inpatient hospital payments

**MS-DRG-** Medicare Severity Diagnosis Related Group

**837(I)-** Electronic format for facility bills

**835-** Electronic explanation of benefits

**277CA-** Electronic acknowledgement.

# Minn. Stat. §176.1362 Inpatient Hospital Payment

- The maximum payment is 200% of the amount calculated under the Medicare PC-Pricer.
- Refer to the DLI website for the correct PC-Pricer tool for the date of service on the bill.
- Hospitals must bill using the same codes, formats, and details required for inpatient bills by Medicare.

# Submission of information when payment is by MS-DRG

Insurer must not require itemization or additional information to support a bill when:

- Hospital submits its charges electronically on an 837(I);
- An MS-DRG applies to the hospitalization; and
- The hospital's total charge is less than the threshold amount:
  - **\$196,021** for 10/1/17 to 09/30/18 and
  - **\$206,822** for 10/1/18 to 09/30/19.



# MS-DRGs do NOT apply

## **For treatment of catastrophic high cost injuries at non-critical access hospitals:**

- Effective 10/01/17, inpatient bills over \$196,021.00 are paid at 75% of the hospital's usual and customary charge.
- Effective 10/01/18, inpatient bills over \$206,822.00 are paid at 75% of the hospital's usual and customary charge.



# MS-DRGs do NOT apply

- For treatment at hospitals certified by CMS as critical access hospitals.
- Critical access hospitals are paid at 100% of the hospital's usual and customary charge.

# Hospital Information Needed for PC-Pricer

- Provider ID number for PC-Pricer

- <http://www.dli.state.mn.us/business/workers-compensation/work-comp-pc-pricer-tool-inpatient-hospital-bills>

- Hospital Type

# DRG Location

837(I) electronic facility bill

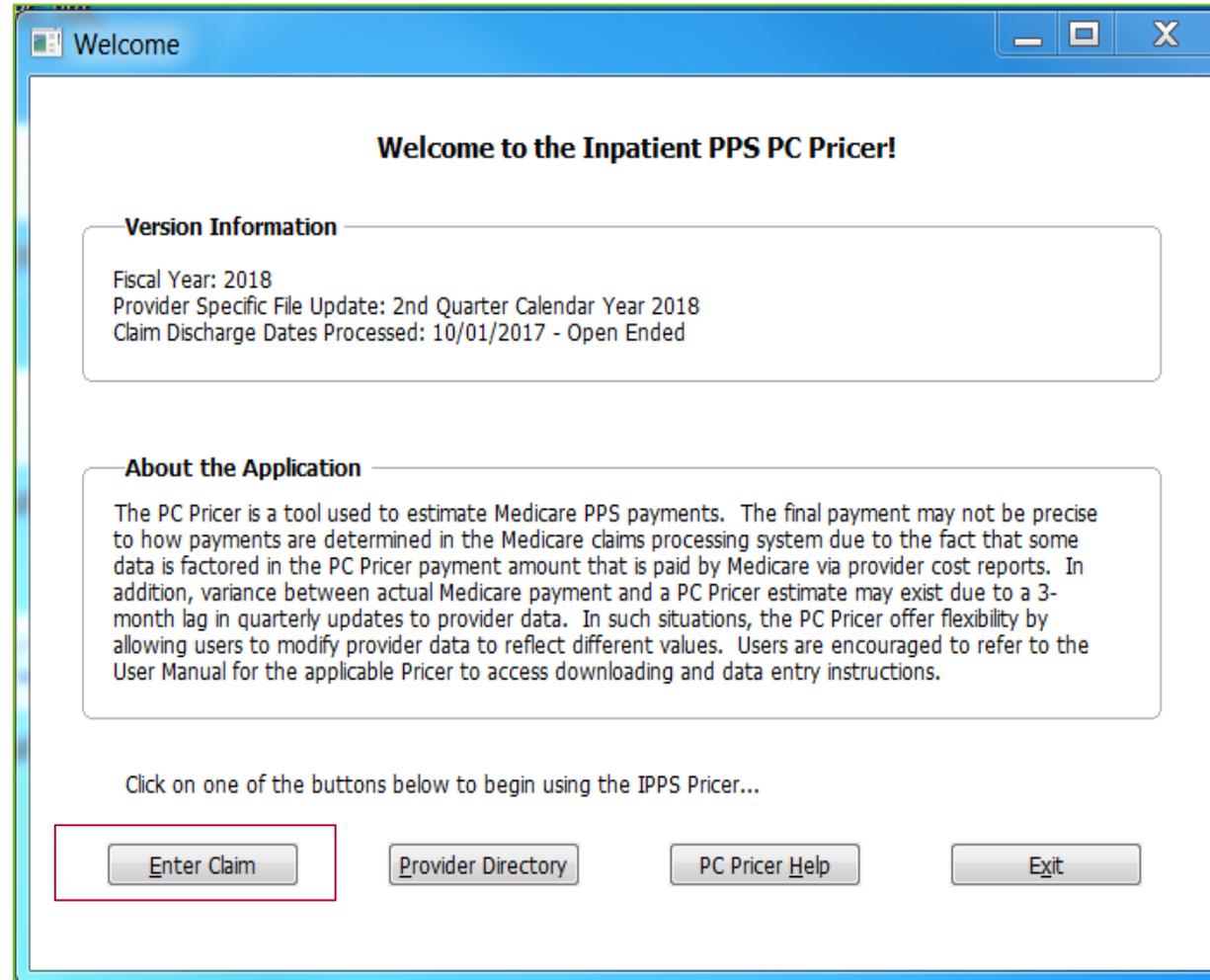
- Loop 2300
- Segment HI01-2

# Pricing Bills for Dates of Service Oct. 1, 2018 – Sept. 30, 2019

- The law directs payers to calculate the amount payable for inpatient hospital services using the PC-Pricer program posted on the department's website, in this example the FY 2018.0 PC-Pricer.
- Because Medicare's payment year is from Oct. 1 through Sept. 30, the PC-Pricer used in Minnesota workers' compensation in effect Oct. 1, 2018, will not price discharges on or after Oct. 1, 2018.
- The solution for discharges occurring from Oct. 1, 2018, through Sept. 30, 2019, is to enter the discharge as one year prior to the date of service into the PC-Pricer, with the same month and day portions of the dates of service.

1 Hennepin County Medical Center		2 701 Park Ave		3a. PAVI CONT. #		4 TYPE OF BILL	
Minneapolis, MN		55486		5 MED. REG. #		111	
6 PATIENT NAME		7 PATIENT ADDRESS		8 STATEMENT COVERS PERIOD FROM		9 THROUGH	
Injured, Imma		St. Paul		10/09/2018		10/13/2018	
10 BIRTHDATE		11 SEX		12 DATE		13 ADMISSION DATE	
03/15/1980		F		100918		19 1 4 17	
14 TYPE		15 SRC		16 DHR		17 STAT	
01						18 19 20 21	
22		23		24		25	
26		27		28		29 ACCT CODE	
MN							
30 OCCURRENCE DATE		31 OCCURRENCE DATE		32 OCCURRENCE DATE		33 OCCURRENCE DATE	
04 100918							
34 OCCURRENCE DATE		35 OCCURRENCE DATE		36 OCCURRENCE DATE		37 OCCURRENCE DATE	
38		39		40		41	
Best Workers' Compensation Insurer		PO Box 12345		Minneapolis, MN 55486			
42 REV. CD.		43 DESCRIPTION		44 HCPCS / RATE / HPPS CODE		45 SERV. DATE	
0120		TWO BED SEMI-PRIVATE ROOM & BOARD				100918	
0120		TWO BED SEMI-PRIVATE ROOM & BOARD				100918	
0250		PHARMACY GENERAL CLASSIFICATION				100918	
0260		THERAPY GENERAL CLASSIFICATION				100918	
0270		MEDICAL/SURGICAL SUPPLIES GENERAL				100918	
0271		MEDICAL/SURGICAL SUPPLIES NON-STERILE				100918	
0272		MEDICAL/SURGICAL SUPPLIES STERILE				100918	
0278		MEDICAL/SURGICAL SUPPLIES OTHER				100918	
0290		DURABLE MEDICAL EQUIPMENT				100918	
0300		LABORATORY GENERAL CLASSIFICATION				100918	
0301		LABORATORY CHEMISTRY				100918	
0302		LABORATORY IMMUNOLOGY				100918	
0305		LABORATORY HEMATOLOGY				100918	
0320		RADIOLOGY DIAGNOSTIC GENERAL				100918	
0352		CT SCAN BODY SCAN				100918	
0360		OPERATING ROOM SERVICES				100918	
0370		ANESTHESIA GENERAL CLASSIFICATION				100918	
0420		PHYSICAL THERAPY GENERAL CLASSIFICATI				100918	
0424		PHYSICAL THERAPY EVALUATION				100918	
0450		EMERGENCY ROOM GENERAL CLASSIFICATI				100918	
0710		RECOVERY ROOM GENERAL CLASSIFICATIO				100918	
PAGE 1 OF 1		CREATION DATE		TOTALS		45043.77	
55 PAYER NAME		51 HEALTH PLAN ID		52 REL. INFO		53 MARK BEN.	
Best Workers' Compensation Insurer							
54 PRIOR PAYMENTS		55 EST. AMOUNT DUE		56 NPI		57 OTHER PRV ID	
58 INSURED'S NAME		59 REL.		60 INSURED'S UNIQUE ID		61 GROUP NAME	
INJURED, IMMA		20		123456789			
62 INSURANCE GROUP NO.		63 TREATMENT AUTHORIZATION CODES		64 DOCUMENT CONTROL NUMBER		65 EMPLOYER NAME	
						MINNESOTA EMPLOYER	
66 S32421A Y		67		68		69	
69		70		71		72	
S32421A		S32421A		517		W230XXA Y Y990 Y92512	
73		74		75		76	
0QS404Z 101018		0QS434Z 100918				LAST FABULOUS FIRST DOCTOR	
77		78		79		80	
LAST FABULOUS		FIRST DOCTOR					
79		80		81		82	
LAST FABULOUS		FIRST DOCTOR					
83		84		85		86	
LAST FABULOUS		FIRST DOCTOR					
87		88		89		90	
LAST FABULOUS		FIRST DOCTOR					
91		92		93		94	
LAST FABULOUS		FIRST DOCTOR					
95		96		97		98	
LAST FABULOUS		FIRST DOCTOR					
99		100		101		102	
LAST FABULOUS		FIRST DOCTOR					

# PC-Pricer



# PC-Pricer

**Claim Entry**

### IPPS Claim Entry Form

Enter all claim information requested below.  
Press Submit Claim when complete to calculate the prospective payment.

Provider Number:  Patient ID:

Admit Date:  Discharge Date:

DRG Code:  Charges Claimed:

Short-Term Acute Transfer?  HMO Paid Claim?

Post-Acute Transfer?  Cost Outlier Threshold?

Enter procedure and diagnosis codes for new technology and islet cell transplantation if applicable.

Procedure Codes:	Diagnosis Codes:
<input type="text" value="oqs404z"/>	<input type="text" value="s32421a"/>
<input type="text"/>	<input type="text"/>

# PC-Pricer

IPPS Payment Results

**FY 2018 Inpatient Prospective Payment (IPPS) Payment Results**  
Calculator Version: C18.1

Claim Return Code: 14 - Paid normal DRG payment with per diem days = or > GM ALOS.

PROVIDER DETAILS	CLAIM DETAILS	PPS FACTORS & ADJUSTMENTS
Provider #: 240004	Patient Id: <input type="text"/>	OP/CAP CCR: 0.3030 / 0.0130
PSF Record Eff Date: 10/01/2017	DRG: 517	OP/CAP DSH: 0.4303 / 0.1412
Provider Type: 00	Discharge Date: 10/13/2017	Operating IME: 000000.371335449
GEO/STD CBSA: 33460 / <input type="text"/>	Length of Stay: 4 Days	Capital IME: 000000.376218685
Reclass CBSA: <input type="text"/>	Charges: \$45,043.77	Nat Labor/Non-Labor %: 0.6830 / 0.3170
		Nat Labor: 03806.04
		Nat Non-Labor: 01766.49
		Inp Wage Index: 01.1086
		Inp PR Wage Index: 00.0000
		Inp DRG Weight: 01.4361
		Inp DRG GM ALOS: 02.2
		Transfer Adj. Factor: 0.0000
		Readmissions Adj. Factor: 0.9972
		VBP Adj. Factor: 1.00395304870
		Bundle %: 0.000
		EHR Reduction Indicator: <input type="checkbox"/>
		HAC Reduction Indicator: N
		Cost Outlier Threshold: \$0.00

CAPITAL AMOUNTS	OPERATING AMOUNTS
C-FSP: \$699.64	O-FSP: \$8,596.30
C-Outlier: \$0.00	O-HSP: \$0.00
C-DSH: \$98.79	O-Outlier: \$0.00
C-IME: \$263.22	O-DSH: \$924.75
	O-IME: \$3,192.11
	Uncomp Care: \$1,870.12
	Readmissions Adj.: \$24.07CR
	VBP Adjustment: \$33.98
	New Tech: \$0.00

OTHER PPS AMOUNTS
HAC Adj.: \$0.00
Low Volume: \$0.00
Pass Thru + Misc: \$1,413.16
Islet Add-on: \$0.00
EHR Adj.: \$0.00
Bundle Adj.: \$0.00
MA-HSP: \$0.00

<b>* TOTAL PAYMENT *</b>
<b>\$17,068.00</b>

Print    Enter Claim    Provider Directory    PC Pricer Help    Exit

**\$17,068.00 x 2 = \$34,136.00**

# Post-payment Audits

Insurer may conduct a post-payment audit if the following requirements are met:

- Bill is paid within 30 days according to the PC-Pricer; and
- The payment included an outlier payment.
  - If audit is permitted, insurer must request all information within 6 months after payment is made.
  - Hospital must provide documentation within 30 days of request.

# MS-DRG Prompt Payment Requirements

Within 30 days of receipt of the hospital's bill the payer must:

- Pay the bill at 200% of MS-DRG amount with no reductions; or
- Deny payment for the entire hospitalization for one of the following reasons:
  1. Patient's workers' compensation injury claim is denied;
  2. Hospitalization is unrelated to the admitted work injury; or
  3. Hospitalization is not reasonably required to cure or relieve the effects of the work injury.

# MS-DRG Prompt Payment Requirements

- The payer's 30 days begins to run when the payer, or the payer's clearinghouse, receives the 837(I).
- The payer must send a Health Care Claim Acknowledgment (277CA) upon receipt of the hospital's 837(I).
- The 30 days is not extended pending receipt of itemization or additional information if:
  - The hospital submitted charges electronically (837I);
  - An MS-DRG applies to the hospitalization; and
  - The hospital's total charge is less than \$206,822 from 10/1/18 - 09/30/19 (\$196,021 from 10/1/17 - 09/30/18 ).

# Explanation of Benefits 835

- 835 must include:
  - Basis for denial
  - The applicable rule, part, and subpart supporting the denial or reduction of a charge.
    - See Minn. Stat. [§176.135, subd. 6](#), and Minn. R. [5221.0600, subp.4](#).
  - Instructions for reporting the reason for denial or reduction of payment are in [Appendix B of the MN AUC 835 Companion Guide](#).

# Questions

Medical Policy

[Medical.policy.dli@state.mn.us](mailto:Medical.policy.dli@state.mn.us)

651-284-5052

[www.dli.state.mn.us](http://www.dli.state.mn.us)