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.
• 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.
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.
• 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
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.
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**CREATION DATE** 40843.27
Welcome to the Inpatient PPS PC Pricer!

Version Information
Fiscal Year: 2018
Provider Specific File Update: 2nd Quarter Calendar Year 2018
Claim Discharge Dates Processed: 10/01/2017 - Open Ended

About the Application
The PC Pricer is a tool used to estimate Medicare PPS payments. The final payment may not be precise to how payments are determined in the Medicare claims processing system due to the fact that some data is factored in the PC Pricer payment amount that is paid by Medicare via provider cost reports. In addition, variance between actual Medicare payment and a PC Pricer estimate may exist due to a 3-month lag in quarterly updates to provider data. In such situations, the PC Pricer offer flexibility by allowing users to modify provider data to reflect different values. Users are encouraged to refer to the User Manual for the applicable Pricer to access downloading and data entry instructions.

Click on one of the buttons below to begin using the PPS Pricer...

[Enter Claim] [Provider Directory] [PC Pricer Help] [Exit]
PC-Pricer
PC-Pricer

$17,068.00 \times 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.
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.
• 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

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