

MaineCare Nursing Facility Billing Practice Change: MIHMS Impact on NF Billing Process

MaineCare recently [proposed rules](#)¹ that will change how nursing facilities bill for services. When the new claims processing system ([MIHMS](#)²) is implemented September 1, 2010, nursing facilities will bill with new revenue codes for the services they provide.

What happens now: Currently, MaineCare case mix adjusts payments to nursing facilities based on a point in time facility average case mix index. Quarterly, facilities review a roster of resident whose RUG group will be used to calculate the average case mix index. Once verified by the facility, a final roster is used to calculate a new rate. This new rate is set for a quarter. Facilities bill with a single daily rate for all MaineCare members in their facility. The facilities bill with the 0167 revenue code.

What happens with MIHMS: With MIHMS implementation, nursing facilities will bill two rates for the care they provide MaineCare members. The case mix adjustment to the rate will be associated with the resident's active assessment. Using the resident's "**active assessment**" better aligns the resident's care needs with the payment from MaineCare. A rate letter will now be calculated at least annually and when other events require an adjustment to the rate

What is the resident's "active assessment"?

All OBRA required assessments including admission, quarterly, annual, significant change and significant correction are considered active assessments for MaineCare reimbursement. MPAFs are only considered when they are also an OBRA assessment (e.g., Admission and 14-day assessment).

(e.g., audited fixed costs adjustment). The rate will have two components – a direct care rate that will be case mix adjusted and a non-case mix adjusted rate (see insert). The direct care rate will still be based on the facility's costs.



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Total Allowable Inflated Direct Care Rate	\$58.42
Total Direct Add-on, Routine and Fixed Rate	\$109.63

For example, a resident in our sample facility whose active assessment established them in the Special Care Group with an ADL (activity of daily living) score of 15-16 with a weight of 1.709 would be paid \$99.83 per day (1.709* \$58.42) for the case mix adjusted direct care portion of the daily rate. Additionally, this facility would receive the non-case mix portion of the daily rate for the direct care add-on, routine and fixed rate, \$109.96 for a total daily rate of \$209.47.

¹ Proposed rule can be found at: <http://www.maine.gov/dhhs/oms/rules/proposed.shtml#id91101>

² For complete information on MIHMS implementation see:
http://www.maine.gov/dhhs/oms/fiscal_agent_project_index.html

How will I bill for a day of service in MIHMS? Under this new approach two codes would be billed for the daily rate:

- 1.) Bill the 0169 revenue code for the non-case mix component (direct care add-on, routine and fixed). For Sample facility this rate is \$109.96; and
- 2.) Bill 0022 revenue with HCPCS RUG codes. The billing HCPCS RUG code will use the three characters RUG III Group (e.g., SC2) and the two digit extension "00". The weight associated with the HCPCS RUG code will be multiplied by the Total Allowable Inflated Direct Care Rate. For the sample facility this rate is \$58.42. For a resident in the SC2 group the \$58.42 would be multiplied by the RUG weight for the SC2 group (1.709) to calculate a final daily rate of \$99.83.

For our sample resident and facility, the January bill the line item bill would look like this:

42 Rev Cd.	43 Description	44 HCPCS/Rate /HIPPS Code	45 Serv. Date	46 Serv. Units	47 Total Charges
0022	SNF - PPS	SC200	1/15/2009 - 1/31/2009	16	\$1,597.28
0169	Room and Board Other		1/15/2009 - 1/31/2009	16	\$1,759.36

The facility would multiple the case mix adjusted direct care rate (\$99.83) by the number of days (16) to calculate the total charge for the period ($\$99.83 \times 16 = \$1,597.28$). This amount would be billed with the 0022 revenue code and the SC200 HCPCS code. The non-case mix rate (\$109.96) would be multiplied by the number of days (16) to calculate the total non-case mix charge (\$1,759.36). This amount would be billed with the 0169 revenue code.

What happens if the resident is discharged prior to completing the MDS admission assessment? The default RUG group (AAA00) will be used for billing the 0022 code. You will also bill the 0169 code.

How do I bill for days when the resident is out of the facility? Calculation of these rates has not changed. There are two codes to bill when the resident is out of the facility:

- Revenue Code 0185 -- when a nursing home member is hospitalized
- Revenue Code 0183 – for therapeutic leave, ex. Home visits

You will bill these codes instead of the 0169 code. You will also bill the 0022 code with the appropriate RUG group.

What about NF's with contracted rates? Nursing facilities with contracted rates will continue to bill with a single code. Contracted facilities include head injury, mental illness and the remote island facility. The following revenue codes will be used for services:

- Revenue Code – 0128 – Brain Injury
- Revenue Code – 0124 – Mental Health
- Revenue Code – 0169 – Remote Island

When a resident is out of the facility and expected to return, the following revenue codes will be used:

Head Injury and Mental Health:

- Revenue Code 0180 -- when a member is hospitalized
- Revenue Code 0182 – for therapeutic leave, ex. Home visits

Remote Island Facility:

- Revenue Code 0185 -- when a member is hospitalized
- Revenue Code 0183 -- for therapeutic leave, ex. Home visits

How do I bill for days waiting placement? Days waiting placement rate will not change. Every July a rate is established that is based on the average residential care rate. This rate is the same for each nursing home provider. With MIHMS, billing for days waiting placement will use the revenue code 0167. No HCPCs modifier is required.

Complete billing instructions can be found at:

<https://mainecare.maine.gov/Billing%20Instructions/Forms/Publication.aspx>

See page 29 for the complete listing of RUG HCPC codes and weights.

If you have questions regarding this change please contact MaineCare Customer Service 1-800-321-5557, option 8.