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SUBJECT Hospital Payment Arrangements 1 and 2 for Emergency Room Services		BY  Vincent D. Gordon, Deputy Secretary Office of Medical Assistance Programs

PURPOSE:

The purpose of this bulletin is to remind acute care general hospitals and emergency medicine physicians of the Medical Assistance (MA) Programs' payment policy for emergency room (ER) services in accordance with the hospital's ER Payment Arrangement.

SCOPE:

This bulletin applies to acute care general hospitals and emergency medicine physicians enrolled in the MA Program who provide services to MA beneficiaries under the Fee-For-Service delivery system. Acute care general hospitals and emergency medicine physicians enrolled in the MA Program who provide services to MA beneficiaries in the managed care delivery system should direct questions regarding payment to the respective managed care organization (MCO).

BACKGROUND/DISCUSSION:

The Department of Public Welfare (Department) provides payment for emergency medicine physician services based on the payment arrangement selected by an acute care general hospital upon enrollment in the MA Program. For hospital emergency room services, the Department pays a support component and for emergency physician services (See 55 Pa.Code §§1150.56(b)(5) and 1221.51(4) and (7)). There are currently two ER Payment Arrangements options offered by the Department.

Under ER Payment Arrangement 1, the hospital bills the Department and the Department pays the hospital for the ER support component and diagnostic services performed. The emergency medicine physician (Provider Type (PT) 31/Provider Specialty (PS) 315) also bills the Department; the Department pays the emergency medicine physician for the applicable evaluation and management code for ER services or the compensable procedure code (physician component). In addition, the Department pays the emergency medicine physician for the professional component of diagnostic services when the emergency

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medicine physician provides the interpretation and written report. Hospitals that elect ER Payment Arrangement 1 are assigned the PT 01/PS 016 indicator on their enrollment files.

Under ER Payment Arrangement 2, the hospital bills the Department and the Department pays the hospital for all ER services, including emergency medicine physician services. The Department pays the hospital for the ER support component, diagnostic services performed and the emergency medicine physician's applicable evaluation and management code for ER services or the compensable procedure code (physician component). The Department pays the hospital for the emergency medicine physician's professional component of diagnostic services when the emergency medicine physician provides the interpretation and written report. **The Department does not make payment to emergency medicine physicians based on this payment arrangement.** Hospitals that elect ER Payment Arrangement 2 are assigned the PT 01/PS 017 indicator on their enrollment files.

In order to ensure appropriate payment to hospitals and emergency medicine physicians based on the ER Payment Arrangement selected by the hospital, the Department created Error Status Code (ESC) 4355, described as "ER Svc not payable to phys per hosp arrangement," that will post on the emergency medicine physician's (PT 31/PS 315) claim. ESC 4355 will set when an ER place of service (POS 23) is identified and the hospital's MA Identification Number is linked to a PT 01/PS 017 (ER Payment Arrangement 2) indicator as identified on the hospital's MA Program enrollment file. This edit will be effective for dates of service on and after July 1, 2013.

PROCEDURE:

Effective July 1, 2013, **all** emergency medicine physician claims for ER services (POS 23), **whether submitted by the hospital or the emergency medicine physician**, must reflect the hospital's MA Identification Number on the claim. Professional claims submitted indicating POS 23 without the hospital's MAID number will post ESC 625.

Hospitals with PT 01/PS 016 indicator (ER Payment Arrangement 1)

- The hospital (PT 01/PS 016) bills the Department and the Department pays the hospital for the ER support component and diagnostic services.
- The emergency medicine physician (PT 31/PS 315) bills the Department and the Department pays the physician for the applicable evaluation and management code for ER services or the compensable procedure code.
- The emergency medicine physician (PT 31/PS 315) bills the Department and the Department pays the physician for the professional component of diagnostic services when the emergency medicine physician provides the interpretation and written report.

Hospitals with PT 01/PS 017 indicator (ER Payment Arrangement 2)

- The hospital (PT 01/PS 017) bills the Department and the Department pays the hospital for the ER support component, diagnostic services and the emergency medicine physician's (PT 31/PS 315) applicable evaluation and management code for ER services or the compensable procedure.
- The hospital bills and the Department pays the hospital for the emergency medicine physician's professional component of diagnostic services when the emergency medicine physician provides the interpretation and written report.
- **The emergency medicine physician is not to bill the Department and the Department does not pay claims submitted by the emergency medicine physician based on this payment arrangement.**
- Effective July 1, 2013, the Department will deny claims billed by the emergency medicine physician using ESC 4355 when the hospital has the PT/Specialty 01/017 indicator (ER Payment Arrangement 2) on its enrollment file.