

Administrator Alert

*Policy updates & rule clarifications for Assisted Living,
Residential Care & Nursing Facilities*

Office of Licensing & Quality — Oregon Department of Human Services

April 21, 2011

NURSING FACILITY COMPLEX MEDICAL ADD-ON AUTHORIZATION PROCESS

Dear Administrator,

Please share this Administrator Alert with the person(s) responsible for the facility's oversight and billing of Medicaid Complex Medical Add-On Nursing Facility services.

In December 2009, the Complex Medical Add-On (CMAO) program completed a Rapid Process Improvement (RPI) as part of the DHS Transformation Initiative. The RPI was a collaborative effort with several nursing facility and Department representatives, with goals to minimize or eliminate duplicate or unnecessary process steps, ensure timely nursing facility (NF) payment and ensure program integrity.

- Between January and May 2010, several temporary measures were taken by the Department to reach the goals established at the RPI. Effective May 20, 2010, a permanent solution was implemented for NFs to use a dedicated Revenue Code (Revenue Code 193) within MMIS for all CMAO claims and claim adjustments for those residents identified by the facility to meet CMAO criteria by NFs.

However, since implementation of these measures, CMAO utilization data reflects a progressive increase in CMAO expenditures. Effective immediately the CMAO program is making the following changes:

- Effective 5/1/11 Revenue Code 193 will be discontinued for all dates of service provided on or after 5/1/11.



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- Starting 5/1/11 all dates of service provided for Medicaid residents will be billed at the Basic Rate (\$212.12) using Revenue Code 100, including those residents whose needs meet CMAO criteria.
- Starting 5/1/11 Revenue Code **229** (CMAO Rate \$295.59 minus Basic Rate \$212.12 = \$83.47) will be used for the CMAO dates of service, only after DHS Central Office has posted the CMAO activity in MMIS.
- Starting 9/1/11, CMAO for April and May will be posted in MMIS and providers can begin to bill using the new Revenue Code **229**.

What does this mean? For dates of service occurring on or after May 1, 2011 Nursing Facilities will be able to routinely bill the Basic Rate for all Medicaid residents. Billing can occur as soon as the 1st of the month following services.

Additionally, for dates of service occurring on or after May 1, 2011 the facility will be able to bill for an additional rate which will equal the difference between the Basic Rate and the CMAO Rate for those Medicaid residents who qualify for the CMAO Rate. Billing for the CMAO Rate can occur as soon as the request for CMAO has been reviewed and posted by Central Office.

Providers continue to be responsible to:

- Accurately bill with strict adherence to the CMAO criteria and documentation outlined in OAR 411-070-0091.
- Continue to maintain the required documentation in the medical record per OARs 411-070-0027(3), 411-070-0091, and make it available upon request.

Implementation of New Process:

- Effective 5/1/11 Nursing Facility providers will begin a new process for submitting CMAO documentation to Central Office for review and posting into MMIS. Further instructions will follow within the next two weeks.
- On 4/25/11 from 10:30 am – noon, there will be a Provider Conference Call during



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which the CMAO unit will provide an overview of the new CMAO reporting process and the new CMAO billing process. Additional conference call trainings will be provided at a later date.

Dial in Number: 1/888-285-4585

Participant Code: 10573

