

**Health Services
Office of Medical Assistance Programs**

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Authorized Signature

Topic: Medical Benefits

Subject: Letter to Hospitals and Ambulatory Surgical Centers Regarding OHP
Standard Limited Hospital Benefit

Applies to (check all that apply):

- | | |
|--------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|
| <input type="checkbox"/> All DHS employees | <input type="checkbox"/> County Mental Health Directors |
| <input type="checkbox"/> Area Agencies on Aging | <input type="checkbox"/> Health Services |
| <input type="checkbox"/> Children, Adults and Families | <input type="checkbox"/> Seniors and People with Disabilities |
| <input type="checkbox"/> County DD Program Managers | <input checked="" type="checkbox"/> Other (please specify): DHS staff and others identified on the SPD, CAF, OMHAS and OMAP transmittal lists |

Message: The attached letter from OMAP to Hospitals and Ambulatory Surgical Centers clarifies the changes to the OHP Standard Limited Hospital Benefit. The original benefit is being modified effective September 1, 2004, to reflect the removal of the urgent/emergent limitations contained in the August 1, benefit.

If you have any questions about this information, contact:

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September 1, 2004

To: Hospitals and Ambulatory Surgical Centers

From: Georgia Rhay, Hospital Program Analyst
Thomas M. Turek, MD, Medical Director
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Re: Change to the OHP Standard Population – Limited Hospital Benefit
Effective September 1, 2004

On August 1, 2004, the Office of Medical Assistance Programs (OMAP) implemented the limited hospital benefit for the Oregon Health Plan (OHP) Standard population (OAR 410-125-0047). This benefit limitation applies to services provided by hospitals and ambulatory surgery centers (ASCs).

The original benefit is being modified effective September 1, 2004, to reflect the removal of the urgent/emergent limitations contained in the August 1, benefit.

For coverage under the limited hospital benefit as of September 1, 2004, the service must:

- ◆ Be listed on the Prioritized List of Health Services as treatment and diagnosis pairs above the funding line;
- ◆ Be listed on the OHP Standard Population Limited Hospital Benefit Code List (<http://www.dhs.state.or.us/policy/healthplan/guides/hospital/>); and
- ◆ If required, have received a prior authorization (PA).

Since this benefit is for conditions falling within the above parameters, the following scenarios were developed to help clarify which hospital services are eligible for reimbursement.



Scenario 1

An OHP Standard client presents at the hospital emergency room (ER) with severely labored breathing. The ER establishes a diagnosis of 518.0 (Pulmonary collapse) and admits the client to the hospital.

- Treatment is required to prevent life threatening deterioration.
- The diagnosis is listed in the OHP Standard Population – Limited Hospital Benefit Code List. PA is not indicated for this diagnosis.
- Diagnosis and treatment pair above the funding line on the Prioritized List.

Diagnosis and treatment services (ER room and inpatient stay) are a covered benefit. In this scenario, the hospital is reimbursed for ER and inpatient services.

Scenario 2

An OHP Standard client presents at the physician's office or clinic with a breast lump. The physician sends the client to the hospital outpatient department for a diagnostic mammography and then schedules an outpatient biopsy. The final diagnosis is 174.2 (Malignant neoplasm of breast upper-inner quadrant). The physician schedules a lumpectomy or mastectomy as a hospital inpatient admission, hospital outpatient surgery, or ASC with follow-up treatment (hospital outpatient radiation and/or chemotherapy).

- Medically appropriate services required to make a diagnosis are covered (mammography and outpatient biopsy). The diagnostic hospital services would be covered.
- The diagnosis is on the Limited Hospital Benefit Code List and diagnosis and treatment pair above the funding line on the Prioritized List. A lumpectomy or mastectomy is required to prevent life threatening health deterioration. The hospital inpatient, hospital outpatient, or ASC surgical services would be covered.
- The follow-up radiation and/or chemotherapy treatments are required to prevent life threatening health deterioration. The hospital outpatient service(s) would be covered.

In this scenario the hospital diagnostic services would be covered. The surgery and surgery related services, in either facility, would be covered. The radiation and/or chemotherapy in an outpatient hospital setting would be covered.

Scenario 3

OHP Standard client presents to a physician's office or clinic with severe abdominal pain, a slight fever, and nausea. The physician calls the hospital for a direct urgent admission. The hospital's diagnostic testing results in a diagnosis of 537.4 (Fistula of stomach or duodenum) and the physician schedules a surgical repair.

- The diagnostic hospital services would be covered.
- The diagnosis is above the funding line on the Prioritized List and is on the Limited Hospital Benefit Code List, however it requires a PA for treatment.
- The PA request for continued hospitalization and treatment is based on determination that absence of prompt intervention would result in serious dysfunction of bodily organs and/or permanent impairment to bodily functions.
 - If yes, the physician and the hospital are given PA numbers.
 - If no, the physician will advise the patient that the PA has been denied and the hospital service will not be covered. If the physician wishes to continue with surgery and/or treatment(s), the hospital would not receive a PA and the continued hospitalization would not be covered for the surgery and/or treatment(s).

In Scenario 3, the inpatient diagnostic services would be covered. However, only if the hospital received a PA would the hospitalization for the surgery and related services be covered.

Scenario 4

OHP Standard client tests positive for occult blood during routine physical at doctor's office. Client is scheduled for a colonoscopy at an ASC. The colonoscopy reveals several polyps as the cause for the occult blood. The physician removes the polyps for the pathology examination. Pathology returns a diagnosis of 153.9 (Malignant neoplasm of colon).

- The diagnostic colonoscopy and pathology examination of the polyps would be covered.

In Scenario 4, ASC diagnostic procedure and pathology would be covered.

Scenario 5

An OHP Standard client is evaluated in a clinician's office for diagnosis 556.3 (Ulcerative proctosigmoiditis). The clinician feels hospitalization is appropriate for care of client. The clinician verifies the diagnosis is on the Limited Hospital Benefit Code List and requests a PA for hospital admission.

- The diagnosis is above the funding line on the Prioritized List and is on the Limited Hospital Benefit Code List, however it requires a PA for hospital treatment services to be covered.
- The PA request for continued hospitalization and treatment is based on determination that absence of prompt intervention would result in serious dysfunction of bodily organs and/or permanent impairment to bodily functions.
 - If yes, the physician and the hospital are given PA numbers.
 - If no, the physician will advise the patient that the PA has been denied and the hospital service will not be covered. If the physician wishes to continue with surgery and/or treatment(s), the hospital would not receive a PA and the continued hospitalization would not be covered for the surgery and/or treatment(s).

In this last scenario, the hospital would be covered only if the clinician obtains a PA for the hospitalization.

Please refer to Oregon Administrative Rules for the Hospital Services Program and the OHP Standard Limited Benefit Code List for complete information on this benefit.

We recognize that these are challenging times for our clients and the medical system in general. Your continued support of Oregon Health Plan clients during this redesign of the Oregon Health Plan is deeply appreciated.

Thank you.