

MEDICAID POLICY INFORMATION SHEET

Policy Analyst: Carly Todd

Phone Number: 517-284-1196

Initial

Public Comment

Final

Brief description of policy:

Effective January 1, 2021, the Michigan Department of Health and Human Services (MDHHS) will establish an add-on payment for eligible inpatient episodes to sufficiently reimburse hospitals for costs associated with Remdesivir treatment for Medicaid patients with COVID-19. MDHHS will use a lesser of logic to reimburse hospitals an add-on payment of up to \$3,100 per 5-day treatment.

Reason for policy (problem being addressed):

MDHHS is implementing this reimbursement policy in accordance with Sec. 358 of SB 748.

Budget implication:

budget neutral

will cost MDHHS \$ 1,560,318.00 general fund , and is budgeted in current appropriation

will save MDHHS \$

Is this policy change mandated per federal requirements?

No

Does policy have operational implications on other parts of MDHHS?

Yes, the Hospital and Clinic Reimbursement Division

Does policy have operational implications on other departments?

No

Summary of input:

controversial

acceptable to most/all groups

limited public interest/comment

Supporting Documentation:

State Plan Amendment Required: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Public Notice Required: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If Yes, please provide status:	If yes, Submission Date:
<input type="checkbox"/> Approved <input checked="" type="checkbox"/> Pending <input type="checkbox"/> Denied	
Date: Approval Date:	

DRAFT FOR PUBLIC COMMENT Michigan Department of Health and Human Services		
	Project Number: 2110-Hospital	Date: March 4, 2021

Comments Due: April 8, 2021
Proposed Effective Date: As Indicated
Direct Comments To: Carly Todd

Address:
E-Mail Address: ToddC1@michigan.gov

Phone: **Fax:**

<p>Policy Subject: COVID-19 Response: Hospital Remdesivir Add-on Payment</p> <p>Affected Programs: Medicaid, Healthy Michigan Plan</p> <p>Distribution: Hospitals, Medicaid Health Plans</p> <p>Summary: Effective January 1, 2021, the Michigan Department of Health and Human Services (MDHHS) will establish an add-on payment for eligible inpatient episodes to sufficiently reimburse hospitals for costs associated with Remdesivir treatment for Medicaid patients with COVID-19. MDHHS will use a lesser of logic to reimburse hospitals an add-on payment of up to \$3,100 per 5-day treatment.</p> <p>Purpose: MDHHS is implementing this policy in accordance with Sec. 358 of SB 748.</p> <p>Cost Implications: Estimated \$1,560,318.00 General Fund impact</p> <p>Potential Hearings & Appeal Issues: Limited</p>

State Plan Amendment Required: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> If yes, date submitted:	Public Notice Required: Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Submitted date:
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Tribal Notification: Yes No - Date:

THIS SECTION COMPLETED BY RECEIVER

<input type="checkbox"/> Approved	<input type="checkbox"/> No Comments
<input type="checkbox"/> Disapproved	<input type="checkbox"/> See Comments Below
	<input type="checkbox"/> See Comments in Text

Signature:	Phone Number
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Signature Printed:

Bureau/Administration <i>(please print)</i>	Date
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Bulletin Number: MSA 21-06

Distribution: Hospitals, Medicaid Health Plans

Issued: March 4, 2021

Subject: COVID-19 Response: Hospital Remdesivir Add-on Payment

Effective: As Indicated

Programs Affected: Medicaid, Healthy Michigan Plan

NOTE: Implementation of this policy is contingent upon State Plan Amendment (SPA) approval from the Centers for Medicare & Medicaid Services (CMS).

Effective for hospital discharges on and after January 1, 2021, the Michigan Department of Health and Human Services (MDHHS) will establish add-on payment methodology to reimburse hospitals for costs associated with remdesivir treatment for Medicaid patients with COVID-19. The end date of this temporary change is September 30, 2021.

Payment Methodology

MDHHS will use a lesser of logic to reimburse hospitals an add-on payment of up to \$3,100 per 5-day treatment. The remdesivir add-on payment will be the lesser of:

- 65 percent of the operating outlier threshold for the claim; or
- 65 percent of the amount by which the costs of the case exceed the standard diagnosis-related group (DRG) payment; or
- \$3,100.

Billing Guidance

MDHHS will identify episodes eligible for add-on payments in alignment with the New COVID-19 Treatments Add-on Payment (NCTAP) under the Medicare Inpatient Prospective Payment System (IPPS). Inpatient episodes will be identified by the presence of ICD-10-CM diagnosis code U07.1 (COVID-19) in addition to the presence of the following ICD-10- procedural classification system (PCS) codes for remdesivir as described below.

ICD-10-PCS Code	Description
XW033E5	Introduction of remdesivir anti-infective into peripheral vein, percutaneous approach, new technology group 5
XW043E5	Introduction of remdesivir anti-infective into central vein, percutaneous approach, new technology group 5

Payment Process

Hospitals will receive add-on payments for eligible inpatient episodes on a quarterly basis via MDHHS gross adjustment. Medicaid Health Plans will not be responsible for hospital remdesivir add-on payments. Hospitals will continue to receive add-on payments until MDHHS has accounted for claims lag associated with this policy's eligibility period.

Public Comment

The public comment portion of the policy promulgation process is being conducted concurrently with the implementation of the change noted in this bulletin. Any interested party wishing to comment on the change may do so by submitting comments to Carly Todd via e-mail at ToddC1@michigan.gov.

Please include "COVID-19 Response: Hospital Remdesivir Add-on Payment" in the subject line. Comments received will be considered for revisions to the change implemented by this bulletin.

Manual Maintenance

Information is time-limited and will not be incorporated into any policy or procedure manuals.

Questions

Any questions regarding this bulletin should be e-mailed to Provider Inquiry, Department of Health and Human Services at ProviderSupport@michigan.gov. When you submit questions, be sure to include your name, affiliation, NPI number, and phone number so you may be contacted if necessary. Providers may phone toll-free 1-800-292-2550.

An electronic version of this document is available at www.michigan.gov/medicaidproviders
>> Policy, Letters & Forms.

Approved



Kate Massey, Director
Medical Services Administration