

Uniform Business Office Newsletter

Helping frontline users perform their day-to-day jobs

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IN THIS ISSUE

1. Rate Packages Approved
Outpatient Rates
Inpatient Rates
Pharmacy Rates
Medical Affirmative Claims
 2. Cosmetic Surgery
Estimator v 4.0 Ready
 3. Pharmacy Rate Table with
OTC Release Soon
 4. UBO Helpdesk Tips
 5. SIT Clean-up Continues
 6. MS-DRGs Adopted by CMS
 7. 2009 UBO Conference
Mark Your Calendars
Call for Speakers
 8. ICD-9 Update
 9. VA/DoD Inpatient Billing
Tool
 10. POA Indicator
Implementation
 11. UBO Learning Center
Update
PATCAT Training Online
2009 ICD-9 Teleconference
- Abbreviations and Acronyms
in this Newsletter

1. New Rate Packages Approved and Effective *Outpatient Rates*

The Calendar Year (CY) 2008 Outpatient Itemized Billing (OIB) Rates became effective 3 September 2008. The rates were originally supposed to become effective in July; however, due to delays in AHLTA software updates, a delay was necessary. Rates are now effective and should be used for all outpatient medical and dental services.

Inpatient Rates

The Fiscal Year (FY) 2009 Inpatient Rates are effective 1 October 2008. Billing offices are reminded to hold bills until TRICARE's Medical Severity–Diagnosis Related Group (MS-DRGs) weights are loaded into the Coding Compliance Editor (CCE) Grouper. If bills are sent prior to this load, there will not be any dollar amounts associated with the charges. Check with your Service UBO Manager for any Service-specific work-arounds. See related article, below, about MS-DRGs.

All rates and associated policy letters can be found on the [UBO Web site](#).

Pharmacy Rates

Updated pharmacy rates were submitted for testing. They are expected to become effective 15 October 2008. See related article, below, for additional details about the latest rate package, including the reinstatement of rates for over-the-counter drugs.

Medical Affirmative Claims (MAC)

Billing offices must continue to use last year's rates for all outpatient and inpatient Medical Affirmative Claims (MAC). These are claims for

services furnished to beneficiaries for outpatient and inpatient services involving third party liability payers such as automobile insurers, homeowner's insurance, renter's insurance, etc. These rates must be approved by the Office of Management and Budget (OMB) and published in the Federal Register before they can become effective. The OIB rates are currently pending at the OMB. Inpatient rates will be submitted to OMB in October 2008.

2. Cosmetic Surgery Estimator Version 4.0 Now Ready for Use

Now that the CY 2008 OIB rates are effective, Medical Services Account (MSA) offices should be using Version 4.0 of the Cosmetic Surgery Estimator (CSE) and its associated Superbill. The CSE contains the updated CY 2008 rates and other updates to cosmetic surgery billing processes. The CSE and supporting documents were distributed earlier this summer. It should be used to estimate all elective cosmetic surgeries scheduled to be performed on or after 3 September 2008.

Webcasts were held explaining the new CSE. Replays of the webcast are available from the UBO Learning Center at http://www.tricare.mil/ocfo/mcfs/ubo/learning_center/training.cfm.

3. 15 October 2008 UBO Pharmacy Rate Table Update Includes All OTCs

Billing for all over-the-counter (OTC) drugs will be reinstated with the updated Pharmacy Rate Table, to be released 15 October 2008. After much Tri-Service discussion about the amount of lost billing for interagency prescriptions – e.g., Coast Guard, Public Health Service – as well as Department of Defense (DoD) employees and other pay patients overseas, the UBO Advisory Working Group (AWG) voted to reinstate OTC billing. The AWG carefully balanced the amount of Third Party Collection Program (TPCP) work – e.g., generating a relatively low-cost bill, forwarding the bills to the payer, receiving a denial due to non-coverage, adjusting the original bill to zero – with the anticipated MSA and TPCP collections. They also considered the labor involved in paper versus electronic billing.

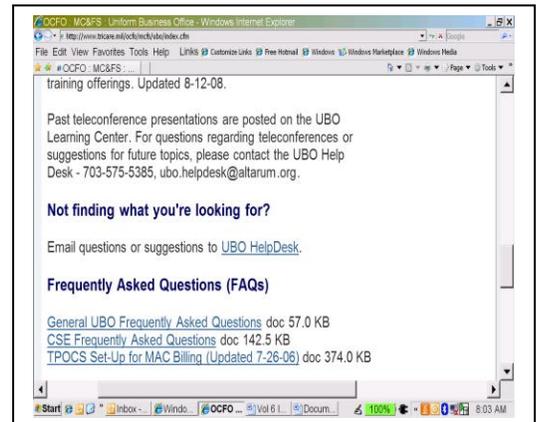
The updated Pharmacy Rate Table continues the current UBO pharmacy pricing model that sets the unit measure price for all drugs in the same group – based on active ingredient, dose form, and strength – to the median unit measure price of the group.

In concert with the updated rate file, the UBO will release an updated version of the Pharmacy Price Estimator (PPE). The PPE enables patients to prospectively determine the estimated price for drugs dispensed at direct care pharmacies.

4. UBO Helpdesk Gives Answers to Billers' Burning Questions

The UBO Helpdesk Frequently Asked Questions (FAQ) site gives answers to questions UBO staff may have thought of, but haven't asked. All UBO staff are encouraged to visit this site frequently to review new questions and answers. Scroll down the main page to click on the link to these questions.

The answers to these FAQs are not Service-specific. UBO staff are encouraged to report all functional billing problems and UBO policy issues/questions to their Service UBO Manager, and to report technical problems – e.g., hardware, software, computer issues – to the MHS helpdesk. Elevate unresolved table issues to the UBO Helpdesk. Please be specific when describing a problem so it can be resolved quickly.



5. SIT Clean-up Continues

The Health Insurance Carrier (HIC) Standard Insurance Table (SIT) clean-up continues. Mailhandlers was the first HIC for this clean-up. Subsequent reports from the Defense Enrollment Eligibility Reporting System (DEERS) have shown that there are still a significant number of other health insurance (OHI) policies pointed to the HICs designated to be deactivated. Continue to re-point your OHI policies to the following HICs slated to remain on the SIT: MAIKY0001, MAIKY0002, MAIKY0003, MAIKY0005, MAIKY0012, and MAIFL0001.

The SIT/OHI Business Rules will be strictly enforced. Be sure to query the SIT before attempting to add any new HICs since verification will follow these Business Rules. The SIT/OHI clean-up and the updated Business Rules are on the TMA UBO Web site:
http://www.tricare.mil/ocfo/mcfs/ubo/sit_ohi.cfm.

The VPOChelpdesk@altarmum.org continues to be your communication link with the verification point of contact (VPOC). It is also important that you submit a commercial telephone number with all HIC entries, in case the VPOC needs clarification.

6. Medical Severity–Diagnosis Related Groups (MS-DRG) Codes Adopted by CMS

The Centers for Medicare and Medicaid Services (CMS) introduced and adopted MS-DRGs in FY 2008. MS-DRGs are codes that classify and reimburse Medicare inpatient hospital stays based on severity of illness. In Medicare, there were originally about 538 DRGs. With the implementation of MS-DRGs, that number has grown to more than 750 DRGs categorized as conditions with: (1) major complications and/or comorbidity, which is the highest level of severity; (2) complications and/or comorbidity; or (3) no complications or comorbidity, which is the lowest level. These new classifications will require additional attention by the provider community.

Many payers, including TRICARE, delayed moving to these new DRGs. TRICARE Operations has decided that it will implement MS-DRGS for both purchased and direct care beginning Fiscal Year 2009. The CCE will have the MS-DRG Grouper with the October 2008 update. The date for loading the case weights has not been determined. The Grouper assigns an MS-DRG based on: (1) International Classification of Diseases, Ninth Revision, Clinical Modification (ICD-9-CM) diagnosis and the companion Procedure Coding System (ICD-9-PCS) codes; (2) age; (3) gender; and (4) complications or co-morbidities.

7. 2009 UBO/UBU Conference

Mark your calendar

Be Inspired....

Be Informed....

Be at the 2009 Annual UBO/UBU Educational Conference



Call for Speakers

Are you interested in speaking at the 2009 UBO/UBU conference? If so, please contact your Service UBO Manager, who will then forward your information to the UBO Conference Support Team. If you have never given a presentation before, don't worry – we will help you. Your willingness to share your knowledge and experience will be appreciated by all!



8. ICD-9 Update

On 22 August 2008, the Department of Health and Human Services (DHHS) published a proposed rule to replace the ICD-9-CM code sets now used to report health care diagnoses with expanded ICD-10 code sets, effective 21 October 2011. The DHHS also proposed regulations adopting the updated X12 standard, Version 5010, for electronic transactions (health care claims). Compliance with Version 5010 would be required by 1 April 2010. Conversion to ICD-10 is essential to the development of a nationwide electronic health information environment, and the updated X12 transaction standards are critical in the implementation of these new codes.

FY 2009 ICD-9 codes will be available in the Composite Health Care System (CHCS). These codes will be loaded on time for CHCS and CCE but will not be available for use in AHLTA until 15 March 2009, at the earliest. We believe this will not impact inpatient claims. We have prepared an ICD-9 conversion code table listing a one-to-one reference for FY 2009 and the previous year's code. Go to:

<http://www.tricare.mil/ocfo/docs/ICD%209%20conversion%20table.xls>

9. VA/DoD Sharing Agreement Billing: Inpatient Billing Tool Being Updated for FY 2009

An FY 2009 Modified TRICARE MS-DRG Payment Calculator is currently being developed to help military treatment facility (MTF) staff and their Veterans Affairs (VA) counterparts calculate the amount to be billed for hospital care provided under VA/DoD Health Care Resource Sharing agreements. The FY2009 version of the calculator will be posted to the TMA UBO Web site in the near future. Service UBO Managers will be notified.

10. Present on Admission (POA) Indicator Flag

The present on admission (POA) indicator flag identifies conditions that a patient clearly displays when they are being admitted to an acute care hospital, regardless of where the episode of care originated. It includes conditions that were clearly present, but not diagnosed, until after the time of admission. The following options indicate whether a condition was POA:

Y = Yes N = No U = Unknown W = Clinically Undetermined
U = Unreported/not used (exempt from POA reporting)

(See the official POA guidelines in the *ICD-9-CM Official Guidelines for Coding and Reporting*.)

A System Change Request (SCR 4299) was developed to add the POA indicator to the CCE data feed to CHCS, to cover the addition of POA to the SIDR (Standard Inpatient Data Record), and to cover the addition of POA to the UB-04 inpatient claim form for inpatient billing. SCR 4299 is expected to be implemented by the second quarter of FY 2009.

11. UBO Learning Center Update***PATCAT Training: Online Course Now Available***

All Patient Registration and UBO staff are encouraged to take this course on assigning correct Patient Categories (PATCATs). A certificate will be mailed on successful completion. The course is available at <https://admin.na3.acrobat.com/a758956138/e24503676/event/registration.html>

FY 2009 ICD-9-CM Updates and Their Impacts Teleconference

Call-in number and handouts will be distributed through Service UBO Managers and will also be available on the TMA UBO Web site. Mark your calendar now for **20 October 2009 at 0800, 1400, and 2100 EDT.**

Abbreviations/Acronyms in This Newsletter

| | |
|------------------|---|
| AHLTA | Military electronic medical record |
| AWG | Advisory Working Group |
| CCE | Coding Compliance Editor |
| CHCS | Composite Health Care System |
| CMS | Centers for Medicare and Medicaid Services |
| CSE | Cosmetic Surgery Estimator |
| CY | Calendar Year |
| DEERS | Defense Enrollment Eligibility Reporting System |
| DHHS | Department of Health and Human Services |
| DoD | Department of Defense |
| EDT | Eastern Daylight Time |
| FAQ | Frequently Asked Questions |
| FY | Fiscal Year |
| HIC | Health Insurance Carrier |
| ICD-9-CM | International Classification of Diseases, Ninth Revision, Clinical Modification |
| ICD-9-PCS | International Classification of Diseases, Ninth Revision, Procedure Coding System |
| ICD-10 | International Classification of Diseases, Tenth Revision |
| MAC | Medical Affirmative Claims |
| MS-DRG | Medical Severity-Diagnosis Related Group |
| MSA | Medical Services Account |
| MTF | Military Treatment Facility |
| OHI | Other Health Insurance |
| OIB | Outpatient Itemized Billing |
| OMB | Office of Management and Budget |
| OTC | Over-the-Counter |
| PATCAT | Patient Category |
| POA | Present on Admission |
| POC | Point of Contact |
| PPE | Pharmacy Price Estimator |
| SCR | System Change Request |
| SIT | Standard Insurance Table |
| TPCP | Third Party Collection Program |
| UB-04 | Uniform Bill, Version 2004 |
| UBO | Uniform Business Office |
| UBU | Unified Biostatistical Utility |
| VA | (Department of) Veterans Affairs |
| VPOC | Verification Point of Contact |

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UBO Helpdesk

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UBO Learning Center & Conference Support

UBO Subject Matter Experts:

Patient Financial Services

Billing office operations such as MHS rate development, CHCS/TPOCS mapping tables, and reimbursement procedures

Medical Management

Documentation, coding, and policy development, including ICD-9 and CPT-4 coding

Access Management

Registration, identification of other health insurance (OHI), third party contract management, and the standard insurance table (SIT)

Compliance & Guidance Management

Policy and guidance to ensure MTF revenue cycle business processes are conducted in accordance with DoD and national compliance standards

Metrics Support

PATCAT Support