

Hospital Update

July 2014

IN THIS EDITION:

Medicaid Therapy Billing
Medicare AssuredSM Hospital Lab Billing

Medicaid Therapy Billing

As of September 15, 2014 Gateway HealthSM is requiring that Physical Therapy, Occupational Therapy, and Speech Therapy are billed using the T1015 along with BOTH the pricing and informational modifiers as listed on the Acute Therapies Crosswalk from 2006. Claims will no longer process with the DPW procedure codes W0660 – W0668.

System updates have been completed which will permit prior authorizations to be entered with specific modifiers. Previously, when a prior authorization was obtained for therapy the authorization would be entered under the old DPW procedure codes of W0663 (Physical Therapy) W0664 (Occupational Therapy) and or W0665 (Speech Therapy) to distinguish which type of therapy was approved. Gateway would accept the T1015 code on the claim submission and crosswalk it to the W code listed in the authorization. The remittance would reflect both codes with an adjustment code of C17 (Procedure Code Replaced) to the T code, and make payment on the old DPW procedure code. This change is required in order to make these claims HIPAA compliant.

Therapy services will continue to require prior authorization. Failure to meet prior authorization requirements will result in the denial of services.



Medicare Assured Hospital Lab Billing

As of July 1, 2014 Gateway Health's system has been updated to reflect the following changes regarding hospital lab services per the CMS MedLearn Matters SE1412 released on March 5, 2014:

Outpatient Prospective Payment System (OPPS) hospitals in limited circumstances can separately bill for laboratory tests to allow separate billing and payment. The laboratory tests should be billed on a 13X bill type using modifier L1. Hospital should no longer use bill type 14X in these circumstances.

Laboratory tests may be billed on a 13X claim using modifier L1 in the following circumstances:

- (1) Hospital collects specimen tests and furnishes only the outpatient labs on a given date of service
- (2) Hospital provides an outpatient laboratory test that are clinically unrelated to other hospital outpatient services furnished the same day.

Clinically unrelated meaning the laboratory test is ordered by a different practitioner than the practitioner who ordered the other hospital outpatient services, for a different diagnosis.

It will be the hospital's responsibility to determine when laboratory tests may be separately billed on the 13X claim using modifier L1 under these limited exceptions.

If you have any questions, please contact our Provider Services Department at 1-800-392-1145 for Medicaid and 1-800-685-5205 for Medicare AssuredSM.