

February 5, 2021

Dear Participating Provider,

Thank you for providing quality health care services to Kaiser Permanente members. The purpose of this notice is to inform you of changes communicated by Virginia's Department of Medical Assistance Services (DMAS) that affects claims for Virginia Medicaid members.

DMAS released a bulletin, *Reimbursement Reductions for Preventable Emergency Room Visits and Hospital Readmissions*, which communicates changes to the reimbursement structure of such claims. These changes are to become retroactively effective as of July 1, 2020.

The reimbursement changes are to:

- Reduce payment for emergency room claims for codes 99282, 99283 and 99284 to the rate for code 99281 if the emergency room claim is identified as a preventable emergency room event.
- Reduce payment to 50% of the normal payment when patients are readmitted to the hospital for the same or similar diagnosis between six (6) and thirty (30) days of the discharge excluding planned readmissions, obstetrical readmissions, admissions to critical access hospitals or in any case where the patient was originally discharged against medical advice.

Emergency Room Claims

Beginning with dates of service on or after July 1, 2020, Kaiser Permanente will review claims billed with CPT codes 99282, 99283 and 99284. If the principal diagnosis code is contained in the Preventable Emergency Room Listing, the claim will be reimbursed at the contracted rate for 99281. A request for additional information will be made if necessary. Providers may respond to these requests electronically via Online Affiliate or submit documentation to the National Claims Administration.

Hospital Readmissions

Hospital readmission claims within dates of service six (6) to thirty (30) days from the date of discharge from the same facility and having the same or similar principal diagnosis code will be subject to a reimbursement reduction of 50% of the contracted rate. The initial discharge date for the first admission must have occurred on or after July 1, 2020. Principal diagnosis codes considered to be the same or similar contain the same first three digits. If a readmission claim is subject to a reimbursement reduction, the initial hospital admission claim will not be affected. Exclusions to this policy are planned readmissions, obstetrical readmissions and readmissions where the patient discharged against medical advice.

Please note that this policy only applies to Virginia Medicaid claims.

To view the DMAS bulletin for further details, go to the Virginia Medicaid Web Portal at <https://www.viriniamedicaid.dmas.virginia.gov>.



If you have any questions about specific claims or this policy, please contact the Provider Experience Department by phone at 877-806-7470 or by email at Provider.Relations@kp.org.

Sincerely,

A handwritten signature in black ink that reads "Iris K. Jay".

Iris K. Jay
Senior Manager, Provider Experience
Consumer Experience & Health Plan Service

Source:

DMAS. (2020, July 1). *Reimbursement Reductions for Preventable Emergency Room Visits and Hospital Readmission*. Virginia Medicaid Web Portal.
<https://www.virginiamedicaid.dmas.virginia.gov>.

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