Leveling of Emergency Room (ER) Services - Outpatient Facility Coding Policy Enhancement

Home State Health previously implemented a **Leveling of ER Services** payment for all lines of business:

- Medicaid: January 1, 2019
- Marketplace: January 15, 2020
- Medicare: January 1, 2018

As part of our goal to support correct coding best practices, Home State Health will now integrate the Optum Emergency Department Claim (EDC) Analyzer tool into its determination process for facilities. The EDC Analyzer determines appropriate Evaluation and Management (E/M) coding levels based on data from a member's claim including the following:

- Member's presenting problem
- Diagnostic services performed during the visit
- Any other complicating conditions

The goal of the Optum Emergency Department Claim (EDC) Analyzer is to achieve fair and consistent E/M coding and reimbursement of facility outpatient emergency department claims. The EDC Analyzer™ systematically evaluates each ED visit level code in the context of other claim data (i.e., diagnosis codes, procedure codes, patient age, and patient gender) to ensure that it reasonably relates to the intensity of hospital resource utilization as required per CMS Guidelines. The methodology used by the EDC Analyzer™ is based on Optum's Lynx™ tool, which is used by 1,500 facilities nationwide to code outpatient emergency department claims. This shared methodology between payers and providers promotes transparency in the coding and reimbursement process.

When a claim is processed through the Analyzer tool, a numbered weighting for each of three factors is assigned.

- Step 1 is Standard Costs, which assigns a standard cost weight to the visit based on evaluation of demographic characteristics and presenting problem.
- Step 2 is Extended Costs, which assigns an extended cost weight according to the intensity of the diagnostic workup based on diagnostic CPT codes.
- Step 3 is Patient Complexity Costs, which assigns a weight based on whether the patient has any conditions or has experienced any circumstances that may increase the complexity of the visit.

Contact Provider Partnership:

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The weight numbers from each of these steps are added together to determine the total weight of the claim. The appropriate level of E/M service is then assigned based on this number.

For a more in-depth look at each of the EDC Analyzer Tool steps and to view specific claim examples, please visit EDCAnalyzer.com.

Facilities submitting claims for ED E/M codes may experience adjustments to level 4 or 5 E/M codes to reflect an appropriate level E/M code. Facilities will have the opportunity to submit reconsideration requests if they believe a higher level E/M code is justified, in accordance with the terms of their contract.

Criteria that may exclude outpatient facility claims from this policy include:

- Claims for patients who were admitted from the emergency department or transferred to another health care setting (Skilled Nursing Facility, Long Term Care Hospital, etc.)
- Claims for patients who received critical care services (99291, 99292)
- Claims for patients who are under the age of 2 years
- Claims with certain diagnosis codes that when treated in the ED most often necessitate greater than average resource usage, such as significant nursing time
- Claims for patients who expired in the ED

Ultimately, the mutual goal of facility coding is to accurately capture ED resource utilization and align that with the E/M CPT® code description for a patient visit per CMS guidance.

If you need further information, please contact your Provider Representative. Thank you for your continued partnership.

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