

Maine DHHS
Upper Payment Limit Demonstrations

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Upper Payment Limit (UPL) Demonstration

Federal UPL policy prohibits federal matching funds for fee-for-service payments in excess of what would have been paid by Medicare. This ensures that MaineCare does not pay providers more than Medicare would have paid for the same or comparable services delivered by those same institutions. States must submit UPL demonstrations annually and demonstrate that they are either:

- Paying no more than the cost of providing the service, or
- Paying no more than Medicare.

Upper Payment Limit (UPL) Demonstration

Services Included in UPL

Hospitals	Inpatient Services, Outpatient Services, Institutions for Mental Disease (IMDs)
Residential Providers	Nursing Facilities, Intermediate Care Facilities, Psychiatric Residential Treatment Facilities*
Other Services	Clinics: Ambulatory Care Clinics, Ambulatory Surgical Centers, Dialysis Clinics, Mental Health Clinics (Sections 17, 23, and 65), Family Planning Clinics, and Substance Abuse Clinics Qualified Practitioners (Physicians) Durable Medical Equipment (DME)

* There are currently no enrolled PRTFs

Upper Payment Limit (UPL) Demonstration

UPL Calculation Process:

- For consistency across states, CMS has developed mandatory reporting templates.
- UPL demonstrations are required annually along with updates for rule changes.
- Each UPL contains separate calculations for private, state government, and non-state government providers, if applicable.
- The Department has contracted with Myers and Stauffer, LC to prepare the demonstrations.

Cost-Based Demonstrations (Hospitals, Intermediate Care Facilities):

- Based on Medicare cost reports (ICFs use a state-developed cost report).
- Costs are allocated to Medicaid based on cost-to-charge ratios.
- Then, actual payments are compared to allocated costs.

Comparisons to Medicare Rates (Nursing Facilities, Clinics, Physicians, DME):

- Calculations are at the procedure code level (Resource Utilization Group level for Nursing Facilities).
- Then, units paid multiplied by the Medicare rate is compared to units paid multiplied by the MaineCare rate.

Questions?

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Broome, Anna

From: Bogart, Molly <Molly.Bogart@maine.gov>
Sent: Tuesday, May 28, 2019 2:14 PM
To: Broome, Anna
Cc: Dooling, Erin; Lazure, Luke
Subject: UPL Answers
Attachments: HHS_Questions_May2019.docx; HHS_Questions_May2019_Crosswalk.pdf; HHS_Questions_May2019_SectionImpact.pdf

Hi,

Attached and below is info from Chuck about the UPL. Thank you!

The responses to the six questions below are complete and included in the attachments. There are two additional questions from the presentation not answered:

- How does CMS calculate cost and determine prices? *We discussed this one, we are not the ones with the answer.*
- Rep. Perry asked about the process/logic used to develop the crosswalk. *I still haven't heard back from Myers & Stauffer but will forward their response on ASAP.*

Best,
M

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1. What services/sections of MaineCare are included in clinic services as an overall category?

Section 3-Ambulatory Care Clinics
Section 4-Ambulatory Surgical Centers
Section 7-Dialysis Clinics
Sections 17/23/65-Mental Health Clinics
Section 30-Family Planning Clinics
Substance Abuse Clinics

2. How are services with no equivalent in Medicare included as part of the UPL calculation? For example, there are several aide services with no equivalent (such as SLP-A)?

For the Clinic UPL there were fifty-three (53) MaineCare procedure codes with no equivalent in Medicare that were cross walked to as close a procedure code as possible. These are attached as HHS_Questions_May2019_Crosswalk.pdf and the impact on each Section of Policy included in the Clinic UPL is attached as HHS_Questions_May2019_SectionImpact.pdf.

None of the other UPL demonstrations used cross walks.

3. How do children's services get included given that there is no equivalent in Medicare?

Services for Children are cross walked identically as those for Adults.

4. Is there a role for providers in determining what is appropriate for inclusion into rates and the UPL?

Historically, providers have not had input to the UPL demonstration process. A future role can be discussed.

5. What is the role of Myers & Stauffer in determining if Maine is complying with the UPL? What is the expertise that the state does not have?

Beginning in 2018, the Myers & Stauffer contract was amended to include the UPL calculations. Prior to that, DHHS Audit calculated the UPLs for Hospitals, Nursing Facilities and ICFs. Staff in the Rate Setting Unit calculated the remaining UPLs. DHHS leadership at the time wanted to consolidate the preparation process and gain additional insights from Myers & Stauffer from their similar work in other States.

6. Our understanding is that prior to LD 925, the UPL was within \$8.8m. Can you be specific about the increases in rates that have closed the gap (so that fiscal notes for behavioral health services are now GF only)?

LD 925 Part D contained 2% across-the-board increases which impacted Sections 17, 23 and 65 in the Clinic UPL. In addition, there were service specific rate increases to Section 65 in Parts E (15% increase for Medication Management) and Part I (20% increase for Multi-Systemic Therapy). The fiscal impacts by Part and Policy Section are:

Part D		
	Section 17	\$1,923,526
	Section 23	\$13,951
	Section 65	\$7,131,475
	Subtotal Part D	\$9,068,952
	Part E-Section 65	\$1,555,539
	Part I-Section 65	\$597,624
	Grand Total	\$11,222,115

Questions during the presentation:

Sen. Gratwick:

How does CMS calculate cost? How are prices determined?

Are there any UPLs where we are over? Yes, the Durable Medical Equipment UPL was over by \$452,530.

Rep. Madigan:

What is included in the crosswalk? Answered with Question #2 above.

Sen. Claxton:

What percent of charges use the crosswalk? Answered with Question #2 above.

Rep. Perry:

What is the process/logic used to develop the crosswalk?

Rep. Hymanson:

Which procedure codes were used in the fiscals?

- LD 593 contained an 8% across-the-board increase for all procedure codes in Section 65, total impact of \$17.7 million.
- LD 692 had a 47.7% (\$6.69) increase for procedure code H0004-Behavioral Health Counseling/Therapy Per 15 Minutes in Section 65 with a full-year fiscal impact of \$8 million.
- LD 763 specified a \$2.94 per unit increase (from \$21.31 to \$24.25) in Section 17 with a \$2.7 million impact.
- LD 1630 specified a \$28.40 per unit increase (from \$81.60 to \$110) for Procedure Code H0020-Medication Assisted Treatment in Section 65. The annual impact was \$3.4 million.

**2018 CLINIC UPL
SUMMARY OF MEDICARE EQUIVALENT PROCEDURE CODES USED**

	Sec 3- Ambulatory Care Clinics	Sec 4- Ambulatory Surgical Centers	Sec 7-Dialysis Clinics	Sec 17/23/65 MH Clinics	Sec 30-Family Planning	Substance Abuse	Total % of Total
Cross Walked Procedure Codes	3 Procedure Codes Physician	3 Procedure Codes ASC or Physician	N/A	26 Procedure Codes Physician	22 Procedure Codes ASC, Physician or DMEPOS	9 Procedure Codes Physician	
Medicare Fee Schedule(s)	\$835	\$124,132	\$0	\$153,946,652	\$637,145	\$15,463,443	\$170,172,207
Medicaid Payment	<u>\$1,538</u>	<u>\$172,902</u>	<u>\$0</u>	<u>\$167,174,576</u>	<u>\$192,157</u>	<u>\$10,984,461</u>	<u>\$178,525,634</u>
Medicare Payment	\$703	\$48,770	\$0	\$13,227,924	(\$444,988)	(\$4,478,982)	\$8,353,427
Amount Under/(Over) UPL							
Fee Schedules Used (Not Cross Walked)							
Medicaid Payment	\$9,160	\$914,114	\$1,341,125	\$960,946	\$403,482	\$69	\$3,628,896
Medicare Payment	<u>\$15,596</u>	<u>\$1,003,148</u>	<u>\$1,434,181</u>	<u>\$1,025,371</u>	<u>\$550,814</u>	<u>\$112</u>	<u>\$4,029,222</u>
Amount Under/(Over) UPL	\$6,436	\$89,034	\$93,056	\$64,425	\$147,332		\$400,326
Total							
Medicaid Payment	\$9,995	\$1,038,246	\$1,341,125	\$154,907,598	\$1,040,627	\$15,463,512	\$173,801,103
Medicare Payment	<u>\$17,134</u>	<u>\$1,176,050</u>	<u>\$1,434,181</u>	<u>\$168,199,947</u>	<u>\$742,971</u>	<u>\$10,984,573</u>	<u>\$182,554,856</u>
Amount Under/(Over) UPL	\$7,139	\$137,804	\$93,056	\$13,292,349	(\$297,656)	(\$4,478,939)	\$8,753,753

State of Maine
 Department of Health & Human Services
 Medicare Upper Payment Limit Demonstration
 Clinic Services
 Calendar Year 2018

Medicare Equivalent Codes

MaineCare Codes		Medicare Codes Used	
Procedure Code	Description	Medicare Equivalent Code	Description
41899	unlisted procedure dentoalveolar structures	41874	alveoplasty each quadrant specify
58300	insertion intrauterine device iud	58301	removal intrauterine device iud
90686	iv4 vacc presy free 0.5 ml dos for im use	90471	imadm prq id subq/im njps 1 vaccine
90999	unlisted dialysis procedure inpatient/outpatient	90997	hemoperfusion
99070	supplies&materials above/beyond prov by phys/ghp	97605	negative pressure wound therapy dme < /= 50 sq cm
99075	medical testimony	98201	office outpatient new 10 minutes
99384	initial preventive medicine new pt age 12-17 yr	98204	office outpatient new 45 minutes
99385	initial preventive medicine new pt age 18-39yrs	98204	office outpatient new 45 minutes
99386	initial preventive medicine new patient 40-64yrs	98204	office outpatient new 45 minutes
99394	periodic preventive med est patient 12-17yrs	98214	office outpatient visit 25 minutes
99395	periodic preventive med est patient 18-39 yrs	98214	office outpatient visit 25 minutes
99396	periodic preventive med est patient 40-64yrs	98214	office outpatient visit 25 minutes
99397	periodic preventive med est patient 65yrs& older	98214	office outpatient visit 25 minutes
99401	prevent med counsel&risk factor redj spx 15 min	99406	tobacco use cessation intermediate 3-10 minutes
99402	prevent med counsel&risk factor redj spx 30 min	99407	tobacco use cessation intensive >10 minutes
99412	prev med counsel & risk factor redj grp spx 60 m	99407	tobacco use cessation intensive >10 minutes
99448	nrptof phone/itnet/ehr asstm&imgmt 21-30 min	99202	office outpatient new 20 minutes
A4267	Diaphragm for contraceptive use	A4561	Pessary, rubber, any type
A4268	Male condom, each	A6445	Conforming band non-elastic st w <3 inch per yd
A4268	Female condom, each	A6445	Conforming band non-elastic st w <3 inch per yd
G0008	Administration of influenza virus vaccine	90471	imadm prq id subq/im njps 1 vaccine
G9007	Coordinated care fee, scheduled team conf	G9686	Nursing facility conference
H0004	Behavioral health counsel/therapy per 15 mins	96152	hth&behavior ivntj ea 15 min indiv
H0015	Alcohol and/or drug services intensive output	99201	office outpatient new 10 minutes
H0018	Behavioral health sht term wo rny/brd per diem	99236	observation/inpatient hospital care 55 minutes
H0020	Alcohol and/or drug services methadone admin	90460	im adm thru 18/yr any rte 1st/only compt vac/tox
H0031	Mental health assess by non-physician	96102	psychological testing admm by tech pr hr
H0040	Assertive community treatment program per diem	99201	office outpatient new 10 minutes
H2000	Comprehensive multidisciplinary evaluation	99202	office outpatient new 20 minutes
H2010	Comprehensive medication services per 15 mins	99202	office outpatient new 20 minutes
H2011	Crisis intervention services per 15 minutes	90839	psychotherapy for crisis initial 60 minutes
H2012	Behavioral health day treatment, per hour	99202	office outpatient new 20 minutes
H2014	Skills training and development, per 15 mins	96152	hth&behavior ivntj ea 15 min indiv
H2015	Comprehensive community support svcs, 15 mins	97537	community/work reintegration trainj ea 15 min
H2018	Psychosocial rehabilitation services per diem	96153	hth&behavior ivntj ea 15 min grp 2/> ps
H2019	Therapeutic behavioral services, per 15 mins	96153	hth&behavior ivntj ea 15 min grp 2/> ps
H2021	Community based wrap-around svcs, per 15 min	96152	hth&behavior ivntj ea 15 min indiv
H2025	Ongoing support to maintain employmnt, 15 min	96152	hth&behavior ivntj ea 15 min indiv
H2080	Mental health clubhouse services, per 15 mins	96153	hth&behavior ivntj ea 15 min grp 2/> ps
J7297	Multisystemic therapy for juvenile per 15 min	99407	tobacco use cessation intensive >10 minutes
J7298	Levonorgestrel lu 52 MG 3 yr duration	A4561	Pessary, rubber, any type
J7300	Levonorgestrel lu 52 MG 5 yr duration	A4561	Pessary, rubber, any type
J7301	Intrauterine copper contraceptive	A4561	Pessary, rubber, any type
J7303	Contraceptive hormone contain vaginal ring,ea	A4561	Pessary, rubber, any type
J7307	Etonogestrel implant system contraceptive	A4561	Pessary, rubber, any type
Q3014	Telehealth originating site facility fee	Q0091	Obtaining screen pap smear; prep/convy to lab
S4989	Contraceptive pills for birth control	95044	patch/application test specify number tests
T1013	Sign language/oral interpreter services	96152	hth&behavior ivntj ea 15 min indiv
T1017	Tariffed case management, each 15 min	99490	chron care management svc 20 min per month
T1026	Intensive serv to complex impaired child/hour	99203	office outpatient new 30 minutes
V2785	Cornea tissue processing/preserving/transport	65710	keratoplasty anterior lamellar

Medicare ASC Fee Schedule