South Carolina Medicaid’s LARC Experience

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How Did We Learn About The Issue?
South Carolina Birth Outcomes Initiative
Started July 2011

Goal: Improve health outcomes for babies/moms and reduce health care costs
BOI Workgroup: Care Coordination

Recommendation:
Change policy to allow for inpatient insertion of LARC immediate post partum and payment outside the DRG effective 3/1/2012
Benefits to Changing LARC Policy

- Likely to reduce # of repeat and unintended births due to convenience of inpatient insertion
- Removes barriers to receiving appropriate contraceptive care due to missed post partum appointments (50% miss it in SC-Medicaid)
- This change in policy also prompted us to look at another identified barrier which was reimbursement for the device
- Updated LARC reimbursement rates which were at or below cost of purchase to provider
Implementation Process for Reimbursement of Inpatient LARC
Policy Change Process

- Approval from Director Keck to change policy with explanation of benefits

- Informed CMS; no state plan needed; no objections to draft bulletin except to clarify Essure 30 day consent; we included Essure for inpatient insertion along with the other LARC codes

- Use BOI stakeholders & Vision team as champion/educators to both providers and patients
• Develop Medicaid bulletin(s) to announce new policy and provide reimbursement information

• Notified 3/1/13 by 1 hospital that they just realized weren’t getting paid outside the DRG

• Worked with our systems staff for 5 months to determine a fix for this. Old, cobalt MMIS claims system.
Reimbursement (inpatient only)

- Through a gross level credit adjustment, hospital provider receives monthly listing of affected claims with the credit or payment for LARC device appearing on a future remittance.

- Payment to hospitals will be processed on a monthly basis.

- On the UB-04, the following must be included:
  - HCPCS Code for the device
  - ICD-9 Surgical Code
  - ICD-9 Diagnosis Code
Physicians continue to bill for insertion of device separately on a CMS 1500 claims form.

March 17, 2014: (SCDHHS) will reimburse for LARCs through the pharmacy program.

- Any LARC billed to SCDHHS by a pharmacy care provider will be shipped overnight directly to the provider's office for insertion.
- Providers should take extra care to ensure that they bill Medicaid only for reimbursement of the insertion of the device, and not the device itself, when it is obtained and billed through the pharmacy benefit.
- Providers have up to 30 days to return device.
Lessons Learned
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- Have DHHS systems/claims staff at the table day 1
- Keep MCOs informed of plans so they are ready to launch
- Provide educational conference calls/Q&A to hospital billing managers before, during and after implementation of policy
- Clarify/confirm MCO contract obligations to record inpatient DRG’s (optional field in SC)
Lessons Learned (Cont.)

- Anticipate and be prepared to answer questions from late adopter providers including “too high expulsion rate”
- Collaborate with other stakeholders to target pregnancy population at high risk for repeat births such as teen moms
  - Examples:
    - DHEC
    - March of Dimes
    - Campaign to Prevent Teen Pregnancy
    - FQHC’s
      - Pilot New Horizons
Thank You