

Coding Policy Policy and Procedure		
SUBJECT: Reimbursement Methodologies, All-Inclusive Rates	DEPARTMENT: Health Care Services	
ORIGINAL EFFECTIVE DATE: 11/1998	DATE(S) REVIEWED/REVISED: 03/02-03/17, 01/18, 01/19, 01/20, 01/21, 01/22	
APPROVED BY: Coding Policy Review Committee	NUMBER: MC 02.0	PAGE: 1 of 1

SCOPE:

Providence Health Plan, Providence Health Assurance, Providence Plan Partners, and Ayin Health Solutions as applicable (referred to individually as “Company” and collectively as “Companies”).

APPLIES TO:

Health Plan Providers
All Lines of Business

POLICY:

Methods of reimbursement are established through the contracting process upon mutual agreement between Company and the provider. As a reimbursement methodology, “all-inclusive payment rates” encompass a range of services provided for a particular condition, for a determined length of time, or for a specific level of care. One payment rate is established and covers all services regardless of the number or type of services provided. Exceptions are specifically listed in provider contracts.

DEFINITIONS:

Per Diem: A per-day, all-inclusive payment rate. Includes all services provided during one day (24 hours) of care. An example is per-day rates for Skilled Nursing Facility care.

Per Medicare Severity - Diagnostic Related Groupings (MS-DRG): A per-hospital-admission inclusive payment rate that includes all services from inpatient admission through discharge. Rates vary by classification of MS-DRG. Payment rates are established for each MS-DRG admission.

Per Visit: A per-visit payment rate of certain services provided during a visit or a combination of visits on a given day. Examples include: Emergency Department care; outpatient rehabilitation visits which may include several modalities such as physical therapy, speech therapy, or occupational therapy. These may be combined for a per-visit payment rate.

Per Global Payment/Per Case: Includes services provided for a specific condition, treatment, or procedure. Examples are: Comprehensive payment rate for maternity care; ambulatory surgery center rates; end-stage renal disease (ESRD) payments; radiology services that include supplies necessary to perform the procedure.

Per Global Surgical Package: See Coding Policy MC 12.0.

REFERENCE:

Provider Manual
Provider Contracts
CMS/ Medicare Rules and Regulations