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| CODING POLICY | Reimbursement Methodologies, All-Inclusive Rates |
| Effective Date: 01/2023 Original Effective Date: 03/2002 | Coding Policy Number: MC 02.0 |
| | Coding Policy Review Committee Approved Date: 01/23 |
| Approved by: Coding Policy Review Committee | |

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:

Contracted Providers
 All Lines of Business

POLICY STATEMENT

- I. Methods of reimbursement are established through the contracting process upon mutual agreement between Company and the provider.
- II. 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.
- III. 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 for 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.

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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.

CROSS REFERENCES

- Global Surgical Package-Coding Policy MC 12.0

REFERENCES

1. Provider Manual
2. Provider Contracts
3. CMS/ Medicare Rules and Regulations