

201 South Grand Avenue East
Springfield, Illinois 62763-0002

Telephone: 1-877-782-5565
TTY: (800) 526-5812

Informational Notice

Date: September 10, 2012

To: Enrolled Hospitals: Chief Executive officers, Chief Financial Officers, and Patient Accounts Managers; and Ambulatory Surgical Treatment Centers

Re: Hospital Inpatient and Outpatient Reimbursement Systems

As a result of [Public Act 097-0689\(pdf\)](#), referred to as the Save Medicaid Access and Resources Together (SMART) Act, the department will be updating its hospital inpatient and outpatient reimbursement systems.

Inpatient Claims

Effective with admissions on or after July 1, 2013, inpatient claims will be processed and adjudicated through the 3M™ All Payer Refined Diagnosis Related Group (APR-DRG) payment system. The department will continue to process and adjudicate inpatient claims under the current MS-DRG grouper version 12 through June 30, 2013.

Effective with admissions on or after October 1, 2012, the department will begin analyzing claims processed through the APR-DRG payment system. Reimbursement will continue to be based on the current MS-DRG grouper version 12 through June 30, 2013.

The following billing requirement will be implemented effective with admissions on or after October 1, 2012, regardless of the hospital's payment methodology:

- Providers will be required to report Value Code 54 for newborns who are 14 days of age or less on the date of admission. This Value Code is to be reported with the baby's birth weight in grams, right-justified to the left of the dollar/cents delimiter, and will be used in the APR DRG determination. Claims that do not have this value reported will be rejected.

Outpatient Claims

Effective with dates of service on or after January 1, 2014, outpatient claims will be processed and adjudicated through the Enhanced Ambulatory Procedure Grouping (EAPG) payment system. The department will continue to process and reimburse outpatient claims under the current Ambulatory Procedures Listing (APL) group assignments through December 31, 2013.

Effective with dates of service on or after January 1, 2013, the department will begin analyzing claims processed through the EAPG payment system. Reimbursement will continue to be based on the current APL group assignment through December 31, 2013.

Hospital fee-for-service billing and payment methodology will not be changed and will not be incorporated into the new EAPG payment system.

Providers wishing to receive e-mail notification, when new provider information is posted by the department, may register at the following [HFS Web site](#).

Additional information will be forthcoming, as the implementation dates get closer. Questions regarding this notice may be directed to the Bureau of Comprehensive Health Services at 1-877-782-5565.

Theresa Eagleson, Administrator
Division of Medical Programs