Health Services Cost Review Commission
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May 1, 2018

To: Hospital Chief Financial Officers and Case Mix Liaisons

From: Claudine Williams, Associate Director, Clinical Data Administration

Re: UPDATE: Resubmission of FY 2016 – FY 2018 Q2 Outpatient Data due to Misreported Drug Codes

UPDATE: This memo is an update to the previous memo dated April 17, 2018. Revisions are highlighted in RED.

Recently, HSCRC staff have been completing audits of the FY 2017 Schedule CDS-A (Growth in the Use of Outpatient Infusion, Chemo-therapy, and Biological Oncology Drugs). The results of the review have shown that hospitals are not sufficiently reporting HCPCS and CPT drug codes (specifically J-codes) and the associated units. In several cases, no drug HCPCS/CPT codes were reported. As these errors have been discovered, the Outpatient FY 2016 and 2017 data have been reopened several times to clean the data.

Since then, it has come to our attention that for several hospitals that use Meditech EMR systems, the HCPCS and CPT drug codes were not properly pulled and submitted in the case mix data. This has caused significant issues for staff calculating the drug volume adjustment for FY 2019.

HSCRC is instructing all hospitals (in particular, those using Meditech) to resubmit **only the Outpatient case mix data for FY 2016 Q1 (July 2015) - FY 2018 Q2 (December 2017)** to correct inaccurate or missing drug codes and units by **May 15, 2018** (same due date as FY 2018 Q3 April preliminary data). Please be aware that the RY 2019 quality final adjustments and RY 2020 base period data (MHAC, RRIP, and QBR mortality) will not be updated to reflect the new data except if reopened during performance period. Additionally, if there are other issues discovered after the resubmitted data are closed, the HSCRC does not anticipate reopening these quarters again.

It is important that the HCPCS/CPT drug codes and units are reported correctly; failure to submit proper drug data could adversely affect next year's drug volume adjustment, per the annual drug

survey. **Hospitals should review their data to ensure all HCPCS and CPT drug codes and units are appropriately reported on the case mix data prior to submission.** Hospitals can use the attached spreadsheet (*HCPCS_Unit_STATS.xls*) to assist in the review of the reported HCPCS/ CPT drug units. The spreadsheet from 3M lists HCPCS level [J-code] units observed in OPPS claims data for 2014 -2016 (on separate tabs). This is not a complete list of codes, however it should include commonly used drugs. In the file, there is a count of claims for each code; the median, mean, min and max reported units plus standard deviation; and where available an ASP at time of file creation. HSCRC staff suggests using the median units (+/-) 1-2 standard deviations as a benchmark.

To further assist hospitals with their investigation of the issue, HSCRC ran additional edits on the FY 2017 data to identify outlier hospitals and posted the analysis on our website here: http://hscrc.maryland.gov/Documents/Hospital%20Drug%20Outliers.xlsx

The analysis compares the OP units per CPT frequency from hospitals (using the most OP CPT data for RY17) versus the number of units per drug that 3M observed for 2016 (*HCPCS_Unit_STATS.xls)*, which provides the national median, mean, standard deviation, etc. for HCPCS codes. First, all CPT codes that were not in the 3M list were filtered out; approximately 20% of charges from the drug rate center were excluded. Next, the variance was calculated between hospital units per CPT frequency versus 3M's median and mean and noted in red highlighted cells if the variance was greater than 20%. Our working assumption is that if a hospital was beyond the 20% variance in comparison to the mean AND the median, then the hospital likely has issues with its data. Finally, the EHR vendor table was merged into the data to highlight how this is systemic to various EHR vendors, most notably Meditech.

In the last few days, we have heard concerns from some Meditech hospitals that their systems will not be able to reprocess the FY 2016-2017 data using the old Charge master/CDM from that period. We spoke with Meditech and they will be reaching out to their hospitals to assist them with the resubmission.

The basis of HSCRC's methodologies require accurate data; therefore, no fines will be assessed for this resubmission. However, St. Paul Group (HSCRC's data processing vendor) will be charging a reprocessing fee. Please contact Joan Hebron (Joan.Hebron@thestpaulgroup.com) for more information about the reprocessing fee.

Please let me know if you have additional questions or concerns.