

**SUMMARY OF
EPISODES OF CARE 2-16 - APPENDECTOMY**

Effective October 1, 2016 Arkansas Medicaid proposes to add Appendectomy episodes to the Episodes of Care Medicaid manual and Arkansas State Plan to incentivize improved care quality, efficiency, and economy. The program uses Medicaid paid claims data to evaluate the quality, efficiency, and economy of care delivered in the course of the episode, and to apply payment incentives.



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TO: Arkansas Medicaid Health Care Providers – Episodes of Care

EFFECTIVE DATE: October 1, 2016

SUBJECT: Provider Manual Update Transmittal EPISODE-2-16-APPENDEC

<u>REMOVE</u>		<u>INSERT</u>	
Section	Effective Date	Section	Effective Date
—	—	224.000	10-1-16
—	—	224.100	10-1-16
—	—	224.200	10-1-16
—	—	224.300	10-1-16
—	—	224.400	10-1-16
—	—	224.500	10-1-16
—	—	224.600	10-1-16
—	—	224.700	10-1-16

Explanation of Updates

Sections 224.000, 224.100, 224.200, 224.300, 224.400, 224.500, 224.600 and 224.700 are added to provide information pertaining to the appendectomy episode of care.

The paper version of this update transmittal includes revised pages that may be filed in your provider manual. See Section I for instructions on updating the paper version of the manual. For electronic versions, these changes have already been incorporated.

If you have questions regarding this transmittal, please contact the Arkansas Payment Improvement Initiative Center at 1-866-322-4696 (Toll-Free) within Arkansas or locally and Out-of-State at (501) 301-8311.

If you need this material in an alternative format, such as large print, please contact the Program Development and Quality Assurance Unit at (501) 320-6429.

Arkansas Medicaid provider manuals (including update transmittals), official notices, notices of rule making and remittance advice (RA) messages are available for downloading from the Arkansas Medicaid website: www.medicaid.state.ar.us.

Thank you for your participation in the Arkansas Medicaid Program.

Dawn Stehle
Director

TOC required

224.000 APPENDECTOMY EPISODES**224.100 Episode Definition/Scope of Services**

10-1-16

A. Episode subtypes:

There are no subtypes for this episode type.

B. Episode trigger:

Episode is triggered by an emergency department (ED) visit or hospital stay where the primary diagnosis is related to appendectomy.

C. Episode duration:

Episode begins on the day prior to the date of admission to the ED or inpatient facility. It ends 30 days after discharge from facility.

D. Episode services:

The following services are included in the episode:

1. Day prior to surgery: professional services and related care (i.e. inpatient and outpatient facility services, professional services, related medications)
2. During procedure: appendectomy surgery, professional services and related care (i.e. inpatient and outpatient facility services, professional services, related medications, treatment for complications)
3. Hospital readmission based on these criteria:
 - a. All cause readmissions from facility discharge day 1 through day 3
 - b. Relevant complications from day 4 through day 30
4. Within 30 days post-procedure: related services (i.e., outpatient facility services, professional services, related medications, treatment for complications)

224.200 Principal Accountable Provider

10-1-16

For each episode, the Principal Accountable Provider (PAP) is the facility where the appendectomy is performed.

224.300 Exclusions

10-1-16

Global exclusions from Section 200.300 are applied to this episode.

Episode specific exclusions:

- A. Beneficiaries who are less than the age of 5 or greater than or equal to the age of 65 on the date of the trigger
- B. Beneficiaries with one or more of the following comorbidities within 365 days prior to the appendectomy:
 1. Specified intestinal cancers
 2. Coma
 3. Plegias
 4. Structural and other lung disorders

- C. Beneficiaries with extraordinarily high- or low-cost episodes

224.400 Adjustments

10-1-16

For the purpose of determining a PAP's performance, the total reimbursement attributable to the PAP is risk-adjusted for appendectomy episodes in which patients have comorbidities, including the following related health conditions:

- A. Beneficiaries greater than or equal to 5 years of age and beneficiaries less than or equal to 12 years of age
- B. Diabetes
- C. Ruptured appendix/peritonitis
- D. Peritoneal abscess
- E. Obstructive bowel disease

224.500 Quality Measures

10-1-16

- A. Quality measures "to pass":
 - 1. Percent of valid episodes with abdominal imaging prior to appendectomy – must be equal to or greater than 75%
- B. Quality measures "to track":
 - 1. Rate of appendectomies via open surgery
 - 2. Rate of inpatient hospital admissions post procedure
 - 3. Rate of CT scans
 - 4. Rate of ultrasounds (US)

224.600 Thresholds for Incentive Payments

10-1-16

- A. The acceptable threshold is \$ 2,315.00.
- B. The commendable threshold is \$1,848.00.
- C. The gain sharing limit is \$1,442.00.
- D. The gain sharing percentage is 50%.
- E. The risk sharing percentage is 50%.

224.700 Minimum Case Volume

10-1-16

The minimum case volume is 5 valid episodes per 12-month performance period.