



Private Property of Truli for Health

This payment policy is Copyright 2023, Truli for Health. All Rights Reserved. You may not copy or use this document or disclose its contents without the express written permission of Truli for Health. The medical codes referenced in this document may be proprietary and owned by others. Truli for Health makes no claim of ownership of such codes. Our use of such codes in this document is for explanation and guidance and should not be construed as a license for their use by you. Before utilizing the codes, please be sure that to the extent required, you have secured any appropriate licenses for such use. Current Procedural Terminology (CPT®) is Copyright 2023 American Medical Association. All Rights Reserved. No fee schedules, basic units, relative values, or related listings are included in CPT®. The AMA assumes no liability for the data contained herein. Applicable FARS/DFARS restrictions apply to government use. CPT® is a trademark of the American Medical Association

Payment Policy ID Number: 20-066

Original Effective Date: 07/01/2020

Revised: 09/14/2023

Institutional Payment Programs and Charge Based Reimbursement for Commercial Products - Overlapping Charges

THIS PAYMENT POLICY IS NOT AN AUTHORIZATION, CERTIFICATION, EXPLANATION OF BENEFITS, OR A GUARANTEE OF PAYMENT, NOR DOES IT SUBSTITUTE FOR OR CONSTITUTE MEDICAL ADVICE. ALL MEDICAL DECISIONS ARE SOLELY THE RESPONSIBILITY OF THE PATIENT AND PHYSICIAN. BENEFITS ARE DETERMINED BY THE GROUP CONTRACT, MEMBER BENEFIT BOOKLET, AND/OR INDIVIDUAL SUBSCRIBER CERTIFICATE IN EFFECT AT THE TIME SERVICES WERE RENDERED. THIS PAYMENT POLICY APPLIES TO ALL LINES OF BUSINESS AND PROVIDERS OF SERVICE. IT DOES NOT ADDRESS ALL POTENTIAL ISSUES RELATED TO PAYMENT FOR SERVICES PROVIDED TO TRULI MEMBERS AS LEGISLATIVE MANDATES, PROVIDER CONTRACT DOCUMENTS OR THE MEMBER'S BENEFIT COVERAGE MAY SUPERSEDE THIS POLICY.

DESCRIPTION:

This policy applies to Truli for Health's contractual reimbursement for inpatient and outpatient institutional claims for short term acute care hospitals, long term acute care hospitals and ambulatory surgical centers. It is intended to document the policy for certain situations which occur in some of Truli for Health's proprietary reimbursement programs which involve a charge-based reimbursement methodology.

Truli for Health's reimbursement methodology is not meant to use covered charges more than once when calculating a claim's allowed amount. This policy describes the impact to the calculation of an allowed amount if the same charges overlap or are used in more than one part of the calculation of the allowed amount or if lessor of logic applies.

REIMBURSEMENT INFORMATION:

A. Add-ons or Carve-Outs

There are instances where a specific service is separately reimbursed such that its allowed amount is added to the allowed amount for the remaining services on the claim. These items and their allowance are referred to as "add-ons" or "carve-outs". One example of this is implants that are payable at either a flat rate or a percentage of covered charges.

In the instances where there is separate reimbursement methodology for these add-on or carve-out services/procedures, the charges for the add-on or carve-out service/procedure will be deducted from the

total covered charges prior to calculating any reimbursement for the remainder of the claim if the calculation is based on a percentage of charges. If the add-on or carve-out service/procedure charges were not removed from total covered charges, then those charges would effectively be reimbursed on twice.

B. Second Dollar High Charge Outlier Claims

For second dollar high charge outlier reimbursement methodologies, the total allowed amount is based on a base rate for the DRG plus a percentage of a portion of the charges that exceeds the high charge threshold. Typically, the high charge threshold exceeds the DRG payment amount and the DRG payment amount plus a percentage of the portion of the covered charges that exceed the threshold is the claim's total allowance. If the high charge threshold is less than the DRG payment amount, however, then the charges that fall between the threshold and the DRG payment amount overlap and would be considered for reimbursement twice if an adjustment was not made in the calculation. For these scenarios where the DRG payment amount is greater than the high charge threshold, the DRG payment amount will be used in lieu of the high charge threshold amount when determining the portion of the covered charges reimbursed at a percentage of charges.

C. "Lesser of" Logic

"Lesser of" logic may be applied under certain contracts if the total covered charges are less than the total allowed amount. When "lesser of" logic applies for reimbursement and there are no add-ons/carve-outs, Truli for Health will cap the allowed amount at the total covered charge amount. When "lesser of" logic applies for reimbursement and there are add-ons/carve-outs subject to separate reimbursement terms, the charges for the add-on/carve-out will not be included for the purposes of determining if "lesser of" logic applies to the reimbursement for the remaining services on the claim. Any add-ons/carve-outs will be subject to "lesser of" logic but for their specific reimbursement. If the add-on's or carve-out's service/procedure charges were not removed for purposes of applying "lesser of", then those charges or a portion of the charges, would effectively be reimbursed on twice.

BILLING AND CODING:

N/A

RELATED PAYMENT POLICIES:

N/A

REFERENCES:

N/A

GUIDELINE UPDATE INFORMATION

09/16/2021	Annual Review
09/15/2022	Annual Review
09/14/2023	Annual Review

Private Property of Truli for Health

This payment policy is Copyright 2023 Truli for Health. All Rights Reserved. You may not copy or use this document or disclose its contents without the express written permission of Truli for Health. The medical codes referenced in this document may be proprietary and owned by others. Truli for Health makes no claim of ownership of such codes. Our use of such codes in this document is for explanation and guidance and should not be construed as a license for their use by you. Before utilizing the codes, please be sure that to the extent required, you have secured any appropriate licenses for such use. Current Procedural Terminology (CPT®) is Copyright 2023 American Medical Association. All Rights Reserved. No fee schedules, basic units, relative values, or related listings are included in CPT®. The AMA assumes no liability for the data contained herein. Applicable FARS/DFARS restrictions apply to government use. CPT® is a trademark of the American Medical Association.

Health coverage is offered by Truli for Health, an affiliate of Florida Blue. These companies are Independent Licensees of the Blue Cross and Blue Shield Association.