

<b>Reimbursement Policy</b>
<b>Freestanding Emergency Department: Professional and Facility Reimbursement</b>
Committee Approval Date: <b>06/02/2022</b>
These policies serve as a guide to assist you in accurate claims submissions and to outline the basis for reimbursement if the service is covered by the Member’s plan. Services must meet authorization and medical necessity guidelines appropriate to the procedure and diagnosis. You must follow proper billing and submission guidelines. You are required to use industry standard, compliant codes on all claim submissions. Services should be billed with CPT codes, HCPCS codes and/or revenue codes. The codes denote the services and/or procedures performed. The billed code(s) are required to be fully supported in the medical record. Unless otherwise noted within the policy, our policies apply to both participating and non-participating providers and facilities. If appropriate coding/billing guidelines or current reimbursement policies are not followed, MHHP may reject/deny claim, recover/recoup payment or adjust the reimbursement to reflect the appropriate services and/or procedures performed. These policies may be superseded by mandates in provider contracts, or state, federal or CMS requirements. System logic or setup may prevent the loading of policies into the claims platforms in the same manner as described; however, MHHP strives to minimize these variations.
<b>References:</b>
<a href="https://www.cms.gov/">DEPARTMENT OF HEALTH &amp; HUMAN SERVICES (cms.gov)</a>
<a href="#">Guidance for Licensed Independent Freestanding Emergency Departments (EDs) to Participate in Medicare and Medicaid during the COVID-19 Public Health Emergency   CMS</a>
<a href="https://texreg.sos.state.tx.us/public/readtac\$ext.ViewTAC?tac_view=4&amp;ti=25&amp;pt=1&amp;ch=131">https://texreg.sos.state.tx.us/public/readtac\$ext.ViewTAC?tac_view=4&amp;ti=25&amp;pt=1&amp;ch=131</a>

### **Policy Statement**

This Policy addresses the two types of Freestanding Emergency Departments (EDs) and their ability to provide and be reimbursed for services. A freestanding emergency department is a licensed facility that is structurally separate and distinct from a hospital and provides emergency care. There are two distinct types of freestanding emergency departments: a **hospital outpatient department**, also referred to as an off-site hospital-based or satellite emergency department (ED), and **independent freestanding emergency centers**.

### **State Licensing**

Currently, only four states license Freestanding EDs: Colorado, Delaware, Rhode Island and Texas. All other states that license freestanding emergency departments require the ED to have an affiliation with a hospital.

### **Hospital Provider based EDs**

Provider-based off-site hospital EDs are permitted, and must demonstrate compliance with the hospital Conditions of Participation (CoPs). They must also be in compliance with the provider-based regulations at 42 CFR 413.65. If a freestanding ED chooses to enroll in Medicare as a hospital, the

freestanding ED must meet the hospital CoPs, to the extent such CoPs are not waived by Section 1135 waivers.

Medicare generally reimburses only EDs that bill under the National Provider Identifier of a Medicare participating hospital.

### **Licensed Independent Freestanding Emergency Departments**

Under current law, independent freestanding EDs are not recognized as certified Medicare providers and cannot bill Medicare or Medicaid for services. However, CMS issued guidance April 21, 2020 allowing independent freestanding EDs to provide care to Medicare patients and bill for those services during the COVID-19 pandemic.

CMS has identified freestanding EDs as a resource to expand capacity for inpatient and outpatient hospital services during the COVID-19 pandemic, and highlighted three options for these EDs in this regard:

1. The freestanding ED may affiliate with an existing Medicare-participating hospital. This would result in the freestanding ED being treated as a hospital outpatient department of the Medicare-participating hospital under existing flexibility provided under Section 1135 waivers.
2. The freestanding ED may work with the state Medicaid agency to enroll as a Medicaid-certified clinic, if permitted by the State.
3. The freestanding ED may temporarily enroll in Medicare as a hospital.

If a Licensed Independent Freestanding ED does not enroll as a hospital they will be reimbursed in accordance with professional services methodologies.

### **Summary**

MMHP will align with CMS in determining allowance for reimbursement to freestanding EDs. Memorial Hermann Health Plan complies with applicable Federal civil rights laws and does not discriminate on the basis of race, color, national origin, age, disability or sex.

Please contact Customer Service at 855.645.8448 (TTY711) between 8 a.m. to 5 p.m. Monday through Friday.

ATENCIÓN: Si habla español, tiene a su disposición servicios gratuitos de asistencia lingüística. Llame al 855.645.8448 (TTY 711).