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BULLETIN NUMBER: 22-003 (Version 3)

ISSUED/REVISED: 10/14/2022

EFFECTIVE: 07/01/2022

SUBJECT: New Inpatient Modifiers

SERVICE AFFECTED: Inpatient services, all-inclusive plus ancillaries,
including physician services (0100)

BACKGROUND

MDHHS developed a plan to implement a state-wide tiered rate structure for Inpatient services, reported with revenue code 0100. The new rate structure includes four (4) tiers: Tier 1 - Baseline (regular ward staffing), Tier 2 - Enhanced (2 members/1 staff), Tier 3 - Enhanced (1 member/1 staff), and Tier 4 - Intensive (1 member/2 staff). Authorizations and claims for each tier are identified with a new MDHHS required modifier: Tier 1 = "Z1"; Tier 2 = "Z2"; Tier 3 = "Z3"; and Tier 4 = "Z4".

MDHHS has decided to delay the implementation of the new rate structure until 10-01-2024 (FY24). However, MDHHS requests that we begin reporting 0100 encounters with the new "Z" modifiers, effective on 07-01-2022.

PROCEDURE

DWIHN has historically utilized local modifiers with 0100 on claims to identify enhanced or special rates for inpatient services. We will discontinue the use of the DWIHN local modifiers for some hospitals but continue the use for other hospitals; based upon the hospitals current rate structure. We will also implement the MDHHS required "Z" modifiers on claims, effective 07-01-2022.

Inpatient authorizations made on and after 07-01-2022 must utilize the Authorization Only code 01X. Inpatient claims must be submitted with either the new "Z" modifiers or with the local modifier that is indicated on the specific hospital's rate sheet. NOTE: The per diem rates will not change due to the new "Z" modifiers. The negotiated rates for each hospital will remain in effect; only the reported modifiers will change on 07-01-2022.

CHART

Local Modifiers

EN	Enhanced rate for High Acuity patients; usually for first few days of admission.
SP	Special Inpatient Program, I/DD Children served in a separate unit. (Harbor Oaks)
SR	Special rate for I/DD Adults or Children in general unit.
11	One-on-One Staffing.

OLD:	NEW:	Modifier Crosswalk
None or SP	Z1 or SP	Tier 1 -Baseline, regular ward staffing.
EN or SR	Z2 or EN or SR	Tier 2 - 2 members/1 staff, Enhanced.
11	Z3	Tier 3 - 1 member/1 staff, Enhanced.
Not Applicable	Z4	Tier 4 - 1 member/2 staff, Intensive.

REFERENCES:

Michigan Medicaid Provider Manual

http://www.michigan.gov/mdhhs/0,5885,7-339-71551_2945_42542_42543_42546_42553-87572--,00.html

MDHHS Website: PIHP/CMHSP Reporting Cost Per Code and Code Chart

https://www.michigan.gov/mdhhs/0,5885,7-339-71550_2941_38765---,00.html

MDHHS Website: PIHP/CMHSP Provider Qualifications Chart

https://www.michigan.gov/mdhhs/0,5885,7-339-71550_2941_38765---,00.html