May 1, 2019

Fellow TxHIMA members,

Can you please help our hospitals protect the correct medical information and the resulting reimbursements that reflect the true severity of illness of our Texas Medicaid patient population? Take a few moments to contact your local Texas Legislature representatives and request that they support our pending bills SB 1458 and HB 3573. This will require Texas Medicaid’s coding appeal reviewers to adhere to the same federal coding guidelines that the hospitals are required to follow when they code and bill for the admissions. There are links below to identify your local Texas representatives and their contact information. These bills will first go through committees - so if your local state representative or state senator is on the committee, please also ask them for favorable consideration in the committee review. (See committee members below.) If you have ever been involved with Texas Medicaid coding audits in the past twenty-five years, you are aware that the nurse auditors previously applied admission criteria to secondary diagnoses in order to remove codes reduce the associated hospital payments.

After much work by many hospitals, hospital associations, and legislators, Texas passed a bill in 2017 that requires the auditors from the Medicaid Office of the Inspector General (OIG) to adhere to the same federal coding guidelines when performing coding reviews. This has resulted in greatly reduced coding denials and DRG changes for us, but there is still a significant loophole that needs to be addressed. When the initial Medicaid auditors make a coding error and change a payment incorrectly, the hospitals must appeal – not back to the original auditor – but to a separate Medical Appeals Unit (MAU) in order to attempt to overturn the errors. That MAU is contracted not to the OIG, but to the Texas Health and Human Services Commission (THHSC) and so they have taken the stance that they are exempted from the requirement to follow federal coding guidelines. In order to correct that process error and update the current Texas law, there is an additional law currently under review in Austin.

Please reference the following

SB 1458, by Sen. Johnson

HB 3573, by Rep. Sheffield

Look up the State Senator and State Representative for your district:
https://house.texas.gov/members/find-your-representative/

Thanks in advance for including your voice on this important Texas hospital initiative!

Sincerely,

TxHIMA Board of Directors