

BULLETIN NUMBER: 03-2019
TITLE: HOSPITAL EXPENSES
DATE: OCTOBER 1, 2018

PURPOSE:

The purpose of this bulletin is to provide guidance as to all approved hospital charges for off-island referrals and local inpatient care. This bulletin further explains types of services covered under the NHI plan subject to the terms, conditions, and limitations. This bulletin further provides clarification of the agreements between the Republic of Palau Ministry of Health, Ministry of Finance, and the Social Security Administration in regards to reimbursement of medical care to the Belau National Hospital Inpatient Care since the inception of RPPL 8-14.

BACKGROUND:

On February 17, 2011 the first rules and regulations of the Healthcare Fund was adopted in accordance to with the Administrative Procedure Act codified in 6 PNC § 101 ff and RPPL 8-14 codified in Title 41, Chapter 9 of the PNC. The purpose of these rules and regulations is to ensure effective and efficient and Administration of the National Healthcare Financing Act, RPPL 8-14. Amendments to the rules and regulations of the Healthcare Fund were adopted October 1, 2017 consistent with the Administrative Procedure Act. One Amendment to the existing rules and regulations is the inclusion of the Schedule of Benefit in Section 509 of the regulations specifying the detail of each hospital services. A Memorandum of Understanding between the three parties namely MOH, MOF, and SSA was signed on May 19, 2010 updated on March 3, 2014 then later entered into by and between the same parties on October 09, 2015 that provides changes to payment agreement on all inpatient care at the Belau National Hospital.

INTERPRETATION:**OFF ISLAND REFERRAL**

Approved Off-Island Hospital expenses are pre-approved as medically necessary in a generally accepted standard of medical practice type of setting. The Plan reserves the right to reimburse or cover only those services that are furnished in the most appropriate and cost effective setting that is appropriate on the member's medical needs and condition.

General Principles:

The off-island medical care at the approved provider is appropriate and effective for preventing, evaluating, diagnosing, or treating an illness, injury, disease or symptoms for which is prescribed or performed, and not for experimental or cosmetic purposes, and the service is clinically appropriate, in terms of type, frequency, extent, and site duration and is considered effective for the members illness, injury or disease. The service is appropriate with regard to generally

accepted standards of medical practice within the medical community and not primarily for the convenience of the member, the member's family members, the Professional Providers or other healthcare providers. The service is not costly than those that are alternative or sequence of service likely to produce equivalent therapeutic or diagnostic results as to the diagnosis or treatment of the member's illness, injury or disease.

The following medical expenses are covered by the plan at 80% subject to a 20% copayment up to an OOP Max.

Off-Island Referral	Type	Phillippines Providers	Type	Taiwan Providers
Room & Board	Regular	80%	Regular	80%
Intensive Care/Special Care Unit	Pre-approved	80%	Pre-approved	80%
Diagnostic Services	Diagnostics not available in Palau	80%	Diagnostics not available in Palau	80%
Medical Supplies	Limited supplies	80%	Limited supplies	80%
Treatment Services	Pre-approved	80%	Pre-approved	80%
Hospital Ancillary Services	OR, Anesthesia, lab, xray, preapproved Therapy tx, rehab, radiotherpay services	80%	OR, Anesthesia, lab, xray, preapproved Therapy tx, rehab, radiotherpay services	80%
Oxygen & Oxygen Therapy	Pre-approved	80%	Pre-approved	80%
Inpatient Medications	up to 30 days	80%	up to 30 days	80%
Newborn Care	pre-approved; insured under paren	80%	pre-approved; insured under pare	80%
Discharge Planning	pre-approved	80%	pre-approved	80%
Physician Services	In-Network Providers	80%	In-Network Providers	80%
Inpatient(as part of Hospital Bill)	In-Network Providers	80%	In-Network Providers	80%
Inpatient (Billed Separately)	In-Network Providers	80%	In-Network Providers	80%

Room and Board:

Room and board charges vary in cost per admission for different off-island hospital providers. The plan shall cover for standard room and board costs; any difference in costs to upgrade accomodations must either be paid in advance to the plan or paid directly to provider at the time of admission.

LOCAL INPATIENT

The cost of inpatient medical services to be reimbursed to BNH is determined by applying the most recent Reimbursement Schedule. The Reimbursement Schedule shall be established by an agreement of the Minister of Health, Minister of Finance and SSA Administrator as a supplement or annex to the Memorandum of Understanding and may be amended from time to time.

Third Annex to Memorandum of Understanding between the Republic of Palau Ministry of Health, Ministry of Finance, and Social Security Administration signed May 19, 2010 updated on March 3, 2014 and most recently updated on October 9, 2015.

Concurrent Review:

All admission to the Belau National Hospital wards will be subject to the Utilization Reviewers assessment for medical necessity. Local Utilization Reviewer will perform retrospective review treatments or services already been administered and review of medical files in comparison to treatment guidelines before reimbursement is approved by Plan Administrator. Charges not supported by medical records or missing medical record information or described in medical records will not be covered under the Plan.

Belau National Hospital	Type	NHI coverage
Room & Board	Private Rooms, Medical, Surgical, Obstetric, and Pediatric Ward	65/Day for 1-30 days 20/day for 31 days and over
Intensive Care/Special Care Unit	ICU Ward	115/Day for 1-30 days \$70/day for 31 days or over
Ground Ambulance	CPT Code A0070/A0428	Outpatient/MSA Payable
Diagnostic Services	All available locally	Outpatient/MSA Payable
Medical Supplies	Limited supplies	80%
Treatment Services	Pre-approved	80%
Hospital Ancillary Services	OR, Anesthesia, lab, xray, preapproved Therapy tx, rehab, radiotherapy services	80%
Oxygen & Oxygen Therapy	Pre-approved	80%
Inpatient Medications	up to 30 days	see approved CPT codes
Newborn Care	pre-approved; insured under parent	80%
Discharge Planning	pre-approved	80%
Physician Services	Professional Fees	Not Covered
Inpatient(as part of Hospital Bill)	BNH Inpatient only	80%

Room & Board (BNH):

1. For regular hospital admissions; \$65/day for 1-30 days at any wards including private rooms other than Intensive Care Unit (ICU).
2. For admissions other than those necessary for required medical treatment (extended stays due to age or infirmity): \$20/day for 31 days and over at any wards including private rooms other than Intensive Care Unit (ICU).
3. For days at ICU ward: \$115/day for 1-30 days at Intensive Care Unit (ICU)
4. For extended stays at ICU: \$70/day for 31 days and over at the Intensive Care Unit (ICU)

All extended stays at any BNH ward will be subject to Utilization Reviewers review for medical necessity.

Personnel Cost (BNH):

1. Services by physicians who provide care for patients admitted to BNH, but are not a personnel cost at BNH, shall be covered in the amount negotiated and entered into an agreement with the Plan Administrator and the HCF Governing Committee.
2. The amount shown on the Cost Schedule will be adjusted based on the Reimbursement Schedule, as listed below, to determine the amount to be paid by NHI. The percentages reflect an adjustment to total costs to take into account personnel expenses associated with the cost. NHI shall not reimburse for personnel expenses.

Drugs & Medical Supplies (BNH):

For Drugs & Biological – flat rate of \$5/\$6/\$10 for drugs categories A, B & C, respectively, for each prescription.

Supplies, Appliances, and Equipment is 50% of actual cost per CPT

Approved CPT Codes for Pharmaceuticals for Local Inpatient:

CPT	Category	Amt
A	Over the Counter	\$ 5
B	External Use Drugs	\$ 5
C	Common Drugs	\$ 5
D	Monthly Supplies/Maintenance Drugs	\$ 6
E	Epogen/hemo meds	\$ 48
F	Behavioral Health Meds	\$ 1
G	Inhaler Solutions/Albuterol Solutions	\$ 18
H	Inhaler Solutions/Albuterol Pre mix	\$ 12