MSA MEDICAL SERVICES ADMINISTRATION

Bulletin

Michigan Department of Community Health

Bulletin: MSA 09-28

Distribution: All Providers

Issued: June 1, 2009

Subject: Eliminating Certain Medicaid Benefits for Medicaid Beneficiaries age 21 and older, and Medicaid Provider Fee Reductions

Effective: July 1, 2009

Programs Affected: Medicaid, Children's Special Health Care Services (CSHCS), Maternity Outpatient Medical Services (MOMS), Plan First!, and Adult Benefits Waiver (ABW)

In an effort to address budget shortfalls identified in Fiscal Year 2009, the Michigan Department of Community Health (MDCH) is eliminating certain covered service benefits to Medicaid beneficiaries age 21 and older, and is implementing program/fee reductions effective for dates of service on and after July 1, 2009. These changes are in response to Executive Order 2009-22.

The specific covered service benefit eliminations and provider fee reductions are described below. Only those providers affected by the reductions are identified in this bulletin.

A. Elimination of Certain Medicaid Covered Service Benefits for Adults

Effective for dates of service on and after July 1, 2009, the following services will be eliminated for beneficiaries age 21 and older:

1. Chiropractic Services – No services provided by a Chiropractor will be covered.
2. Podiatrist Services – No services provided by a Podiatrist will be covered.
3. Hearing Aid Dealers – No hearing aids will be covered.
4. Eye Glasses and Associated Vision Services – Routine eye exams, eye glasses, contact lens, and other vision supplies and services will not be covered. Services relating to eye trauma and eye disease will continue to be covered.
5. Dental Services – The adult dental benefit is limited to the following emergent/urgent services for the relief of pain and/or infection only. These emergent/urgent services will continue to be covered for beneficiaries age 21 and older (including nursing facility residents). Routine examinations, prophylaxis, restorations, and dentures will not be covered.

Adult Dental Emergent and Urgent Covered Codes

Procedure Code	Short Description
D0140	Limited oral evaluation-problem focused
D0220	Intraoral, periapical, first film
D0230	Intraoral, periapical, each additional film
D7140	Extraction, erupted tooth or exposed root
D7210	Extraction of tooth, erupted
D7220	Extraction of tooth, soft tissue impaction
D7230	Extraction of tooth, partial bony impaction

Adult Dental Emergent and Urgent Covered Codes

Procedure Code	Short Description
D7240	Extraction of tooth, complete bony impaction
D7260	Oroantral fistula closure
D7261	Primary closure of a sinus perforation
D7510	Incision and Drainage (intraoral softtissue)

If a beneficiary has a current prior authorization (PA) on file related to the five types of services being eliminated, providers have 180 days from the date the PA was approved to complete the services, according to existing Medicaid guidelines. No updates or extensions will be granted if the services are not completed within the initial PA service dates. Only PA requests received on and before June 30, 2009, will be processed. PA requests for the five eliminated services that are received on or after July 1, 2009, will be returned.

Medically-necessary services for Medicaid beneficiaries under age 21 continue to be covered by Medicaid even though the services may not be covered for beneficiaries age 21 and older.

B. Fee Reductions

Fee For Service Reductions

Provider/Service Type	Reduction FY 09	Exclusions/Comments
Ambulance	Rescind 1/1/2006 increase given to PC A0425 Land mileage. Apply the 4% fee reduction to rate in effect prior to 1/1/06 for PC A0425. Apply 4% fee reduction to all current fee screens for all other ambulance codes.	
Anesthesia (includes anesthesiologist CRNA and AA)	Reduce anesthesia conversion factor by 4%	
Chiropractic	4% fee reduction for all codes	
Clinical Laboratory	4% fee reduction for all codes	
Cochlear Implant Manufacturers	4% fee reduction for equipment and services	
Family Planning Clinics	4% fee reduction for all codes	A4266-A4269, J0696, J1055, J7300, J7302-J7304, Q1044, S4989, and S4993 are excluded.
Hearing and Speech Centers	4% fee reduction for all codes	
Hearing Aid Dealers	4% fee reduction for equipment and services	Hearing Aids covered under the volume purchase contract are excluded.
Home Health Providers	4% fee reduction to medical supplies	
Hospital (Inpatient)	4% reduction for DRG payments (medical/surgical hospitals) and per diem payments (distinct part rehabilitation hospitals).	Capital payments are excluded.

Fee For Service Reductions

Provider/Service Type	Reduction FY 09	Exclusions/Comments
Hospital (Outpatient) and other providers reimbursed under MDCH's OPPS Comprehensive Outpatient Rehabilitation Facilities, Rehab Agencies, Freestanding Dialysis Centers and Hospital Owned Ambulance Providers (Provider Type 40)	Reduce MDCH's OPPS APC reduction factor by 4%, fees for wrap around codes will be reduced by 4%. Reduce Children's Hospital Special Outpatient Hospital Adjuster Pool from $695,000 to $521,300.	Immunization Codes; 90284,90649, 90655, 90656, 90657, 90658, 90660, 90669, 90681, 90696, 90698, 90707, 90713, 90714, 90715, 90716, 90718, 90723, 90732, 90734, 90740, 90744, 90746, 90747, and 90748 are excluded. Administration of immunizations 90471 – 90474, G0008 – G0010, Injectable Drugs and Biologicals J0882, J0886, J1055, J1825, J7300, J7302, J7306, J7307, Q4081, S0077, S4989 are excluded.
Maternal Infant Health Program	4% fee reduction for all codes The mileage reimbursement rate (S0215 code) will be reduced to align with other provider mileage rate reductions.	Transportation services (A0100, A0110, A0140, A0170) are excluded.
Medical Suppliers, Orthotists, and Prosthetists Includes Durable Medical Equipment, Medical Supplies, Orthotics and Prosthetics, and Parenteral and Enteral Nutrition	4% fee reduction for items with fee screens Manually priced items limited to acquisition cost plus 18% (reduced from 19%) Payment for labor and repairs reduced by 4%	Items provided under the Incontinent Supply Volume Purchase Contract are excluded.
Nursing Facilities	4% reduction to the variable cost portion of the rate for Class I and Class III facilities.	
Optician/Dispensing Ophthalmologist	4% fee reduction for items with fee screens	
Optometrists	4% fee reduction for items with fee screens	
Oxygen	4% fee reduction for items with fee screens Manually priced items limited to acquisition cost plus 18% (reduced from 19%)	
Pharmacy	The standard dispensing fee reimbursement for long-term care pharmacies will decrease from $3.00 to $2.75. The standard dispensing fee reimbursement for all other pharmacies will decrease from $2.75 to $2.50.	
Physicians, Medical Clinics, Non-physician practitioners, and Podiatry (includes MD, DO, DPM, PA, CRNA, NP, CNM, Oral-maxillofacial surgeon)	Reduce fee screens by 4%	Immunization codes (90281-90399, 90476-90749) are excluded. Administration of immunizations (90465-90474, G0008-G0010) are excluded. D1206, D7220, D7230, D7240, D7250 are excluded.

Fee For Service Reductions

Provider/Service Type	Reduction FY 09	Exclusions/Comments
		Radioisotopes (A4641-A4642, A9500-A9700, Q4100-Q4114, Q9951-Q9967) are excluded. Injectable Drugs/biologicals (J0128-J9999, Q0515, Q2023, Q3025-Q3026, Q4081, S0030-S0080, S4989) are excluded. Splint/casting supplies (L0210, L4350-L4380, L8603-L8604, Q4001-Q4051) are excluded. FQHCs, RHCs, and Tribal Health Clinics (THC) will initially be impacted by the reductions; however, payments will be reimbursed as governed through the RHCs prospective payment rate or by the FQHCs and THCs respective Memorandum of Agreements. Medical Clinic SED and Children's Waiver services are excluded.
Shoe Store	4% fee reduction for items with fee screens Manually priced items limited to acquisition cost plus 18% (reduced from 19%)	

Medicaid Health Plans

Rates will be reduced effective July 1, 2009, to accommodate the impact on health plan payment obligations that will result from reductions in fee for service rates and fee screens.

C. Public Comment

Due to the need to achieve significant savings during the current fiscal year, the public comment portion of the policy promulgation process is being conducted concurrently with the implementation of the reductions. Any interested party wishing to comment on the changes may do so by submitting them in writing to:

MDCH/Medical Services Administration
Program Policy Division
PO Box 30479
Lansing, MI 48909-7979
or
email: MSADraftPolicy@michigan.gov

If responding by email, please include "Fee Reduction Policy" in the subject line.

Comments received will be considered for revisions to eliminated services and the fee reductions implemented by this bulletin.

Manual Maintenance

Retain this bulletin until the information has been incorporated into the Michigan Medicaid Provider Manual.

Questions

Any questions regarding this bulletin should be directed to Provider Inquiry, Department of Community Health, P.O. Box 30731, Lansing, Michigan 48909-8231, or e-mail at ProviderSupport@michigan.gov. When you submit an e-mail, be sure to include your name, affiliation, and phone number so you may be contacted if necessary. Providers may phone toll-free 1-800-292-2550.

Approved

Stephen Fitton, Acting Director
Medical Services Administration